RESILIENT PERFORMANCE - POSITIONED FOR GROWTH

CENTAUR

Annual Report and Financial Statements

for the year ended **31 December 2020**

CENTAUR

Advise. Inform. Connect.

Our vision

We will be the ‘go to’ company in the international Marketing Services and Legal sectors for:

- Advising businesses on how to improve their performance and ROI;
- Informing customers using data, content & insight with the provision of business intelligence products;
- Offering training and advisory services through digital learning initiatives and on-line programmes; and
- Connecting specific communities through media and events.

We will provide cutting-edge insight and analysis, building strong and lasting relationships with our customers and aiming to deliver long-term sustainable returns to our shareholders.

Our business

Centaur is an international provider of business information, training and specialist consultancy that inspires and enables people to excel at what they do within the marketing and legal professions. Our Xeim and The Lawyer business units serve the marketing and legal sectors respectively and, across both, our customer centric approach enables us to offer a wide range of products and services targeted at helping them add value.

Our reputation is based on the trust and confidence arising from a deep understanding of these sectors and innovation to satisfy what our customers need; we have developed a strong track record for providing insight, content, data and training. Our key strengths are the expertise of our people, the quality of our brands and products, and our ability to harness technology to innovate continually and develop our customer offering. This enables us to help our customers raise their aspirations and deliver better performance.

Contents

Core brands

xeim Excellence in marketing

MW marketingweek.com · FASHION BEAUTY MONITOR · Really. · OYSTERCATCHERS · CREATIVE REVIEW · YA yearahead.com · design WEEK · foresightnews tomorrow’s news today · FOA

Highlights of the year

Strategic

- Centaur performed well in the initial months of the year and was on track to achieve the organic revenue growth set out under our Margin Acceleration Plan 2022 (MAP22) in addition to the benefit of 2019 cost savings.
- We took immediate clear and decisive action to mitigate the impact of Covid, protect the health and safety of our employees and customers and to ensure the long-term financial security of the business. This included improving our digital capabilities and moving our face-to-face training sessions, and landmark events, online. We also halted recruitment, reduced Board and senior management remuneration, froze marketing expenditure and suspended our dividend payment.
- This allowed us to recover gradually over the course of the second half of the year, to the point where we had sufficient confidence to review and update our strategy to drive organic revenue and profit growth over the next three years. In January 2021, we announced our Margin Acceleration Plan 2023 (MAP23). Our aim is now to raise Adjusted[1] EBITDA margins to 23% by 2023 while increasing revenue to at least £45m.
- As a fundamental part of MAP23, we will prioritise investment and resource allocation for our Flagship 4 brands – Econsultancy, Influencer Intelligence, Mini MBA and The Lawyer – with our wider portfolio of Core Brands playing an important role in creating opportunities for Centaur.

Operational

- Our brands have proven resilient throughout the pandemic, clearly demonstrating the benefit of our investment in digital transformation in recent years.
- At the onset of the pandemic, we moved quickly to adapt our training and events to an online format, allowing us to deliver our products and services and to maintain our customer relationships.
- While revenues at both Xeim and The Lawyer were severely impacted by the initial stages of the pandemic, both business segments recovered over the course of the second half of the year. Highlights included:
  - Mini MBA saw strong demand for its online courses, including new bespoke offerings
  - The Festival of Marketing was held online and attracted over 3,900 delegates
  - The Lawyer achieved a full-year corporate subscription renewal rate of 106%, demonstrating its continued value to UK and international law firms.
- The pandemic had a severe impact on the MarketMakers telemarketing business which the Board took the difficult and sensitive decision to close. We have retained Really B2B, the award-winning demand generation agency.

Financial

- Centaur reported revenues from continuing operations of £32.4m (2019: £39.6m), reflecting the severe impact of the pandemic on our customers and events.
- Centaur posted an improved Adjusted EBITDA margin of 12% (2019: 10%), which benefited from an increase in H2 2020 margin compared with H1 2020.
- The Group reported an improved adjusted operating profit of £nil (2019: a loss of £1.2m). On a statutory basis the Group made an operating loss of £2.3m (2019: a loss of £7.8m).
- Through a focus on prudent financial management and continuing tight control of costs, Centaur remains financially strong with £8.3m in cash backed up by a new three-year £10m revolving credit facility.
- In May 2020, Centaur suspended payment of its final 0.5p dividend for the financial year 2019 in order to preserve cash during the pandemic. Due to the encouraging second half performance, Centaur is recommending a 0.5p final dividend for the 2020 financial year. From 2021, Centaur is recommending a resumption of its normal dividend policy of 40% of adjusted retained earnings, subject to a minimum of 1p per share.

[1] See financial performance review for definition of adjusted results and alternative performance measures

Flagship 4

xeim Excellence in marketing

Econsultancy | influencer intelligence | Mini MBA in Marketing | THE LAWYER

Chairman's statement

> "The Board is confident Centaur can make further progress in 2021 towards meeting the goals of its MAP23 strategy."
>
> **COLIN JONES**
> Chair

Dear Shareholder,

My first full year as Chairman was not the year I or the Board expected. After a promising start, by March we had to confront the challenges of a global pandemic which threatened our personal livelihoods and the future of the Company.

Our immediate priorities were to secure the health and safety of all our employees and customers, and to manage our cash flows to secure the long-term financial security of the Company. The decisive actions taken by management in response to these challenges mean that Centaur has started the new financial year in better shape than many would have thought possible a year ago, and this is testament to the resilience of our people and our brands.

Difficult though 2020 inevitably was, the Board learned some important lessons about the strengths of Centaur's businesses. The transformation of recent years, including simplification of the operating model, a reduction in central costs, and an increased focus on the digital delivery of Centaur's premium content, training and consultancy services, has left the Group better able to withstand shocks such as that delivered by the Covid pandemic. It also means the Board has an even clearer vision of its strategy for organic growth through investing in high quality digital products.

I want to pay a special tribute to the resilience, flexibility and commitment of our employees, and to the executive team led by our CEO, Swag Mukerji. Our people have been working from home since last March and our leading brands within both Xeim and The Lawyer have adapted quickly to the very different trading environment that confronted them. Shareholders owe them our thanks.

As has been widely discussed and acknowledged, the pandemic has accelerated the shift online and the growth of e-commerce. Mini MBA, Xeim's online marketing course, was able to continue its rapid growth, supported by an initiative to attract students from among the ranks of the many thousands of people working from home. Econsultancy, our platform for digital marketing excellence, quickly shifted its focus to online training, enabling it to continue to win business from the many international companies it services.

The events businesses within Xeim and The Lawyer had to respond to the reality that Covid restrictions and social distancing rules meant physical gatherings were not possible. The Festival of Marketing, normally a two-day event at London's Tobacco Dock, instead ran 80 online sessions across five days. The Lawyer similarly pivoted to run events online, a move that received particularly strong feedback from attendees.

Unfortunately, not all our businesses were able to cope with the severe challenges created by the pandemic. MarketMakers, our telemarketing business in Portsmouth, found that several of its biggest customers stopped spending almost overnight. In July, the Board took the difficult and sensitive decision to close MarketMakers although we have retained its Really B2B operation, the award-winning demand generation agency.

Strategy

The experiences of 2020 have led to an evolution of Centaur's strategy and of our Margin Acceleration Plan, which we updated in an announcement to the market in January 2021. Under Margin Acceleration Plan 2023 ('MAP23'), Centaur aims to raise Group Adjusted EBITDA margins to 23% by 2023 while increasing revenue to more than £45m. This revenue growth, combined with a relatively fixed cost base, is expected to deliver year-on-year improvements to profit margins.

The main drivers of revenue growth over the next three years are expected to be our Flagship 4 brands, briefly described below:

- Econsultancy provides online training, insight and essential information to accelerate the performances of its customers' marketing and e-commerce
- Influencer Intelligence is the leading data intelligence and measurement platform for influencer and talent-led marketing campaigns
- Mini MBA is the highly regarded online MBA-level marketing course developed under the Marketing Week brand
- The Lawyer is the most trusted brand for the UK legal profession and a leading provider of intelligence to the global legal market

These brands have demonstrated their resilience through the pandemic and will be our priority for future investment and resource allocation. You can find further details of our strategy on page 4 and the performance of our brands in the CEO's Review from page 10.

Group performance

Centaur's results for the year obviously reflect the impact of Covid, and the decisions taken to manage through the pandemic and position the business for recovery, including the closure of MarketMakers. After a challenging second quarter, which included the postponement of a number of the Group's events, the results have gradually improved during the second half as the business successfully pivoted towards online delivery of its content, training and events.

Group underlying revenue from continuing operations fell by 16% to £32.4m. Adjusted EBITDA for the year was £3.8m, similar to last year, driving an improvement in the Adjusted EBITDA margin to 12%, from 10% in 2019. Despite the impact of Covid, the Group achieved breakeven at the adjusted operating profit line, after an adjusted operating loss of £1.2m in 2019, a much better outcome than was expected in the early stages of the pandemic.

Cash, funding and dividends

The Group began the year in a strong position with net cash of £9.3m. However, the onset of the pandemic in March created significant uncertainty over future trading and cash flows and the Board immediately explored all options for optimising the Group's financial position and securing its long-term future. Actions taken affected all stakeholders, including the suspension of dividends, the renegotiation of bank covenants, reductions in costs including headcount, pay and incentives, and seeking government financial support. These actions helped the Group end the year with net cash of £8.3m, a much better position than anticipated nine months earlier.

Early in the pandemic Centaur accessed the government's furlough scheme, largely to support its employees at MarketMakers. As I have already noted, MarketMakers was directly and immediately hit by the impact of the pandemic on its customers, particularly in the SME segment. While the furlough funding enabled us to keep those roles open for a few months, it quickly became apparent that this would not be sufficient to support the MarketMakers business over the longer term. After exploring all options for this business, including restructuring and a possible sale, the Board took the difficult and sensitive decision to close it during the summer of 2020.

The Group has historically maintained a revolving credit facility to fund short-term working capital requirements and acquisitions, although it has not drawn on the facility for some time. As part of its contingency planning for the impact of Covid, the Group, with the support of its bankers Lloyds and NatWest, was able to negotiate more favourable covenants on its facility. This provided the Board with the comfort that it could continue to operate through even the most severe Covid scenarios. Ultimately strong cash management has ensured the facility has not been required.

The Board recognises the importance of dividends to many of its shareholders and the decisions to cancel the 2019 final dividend of 0.5p per share, and not to pay a 2020 interim dividend, were not taken lightly. The Board has kept the situation under review and now believes that the financial position of the Group is such that the Board recommends a final dividend of 0.5p per share for the 2020 financial year. The Board is also recommending a resumption of its normal dividend policy of distributing 40% of adjusted retained earnings, subject to a minimum of 1p per share. The Board will consider resuming further returns of capital to shareholders once the longer-term impact of Covid on the Group's cash flows becomes clearer.

Governance and people

Two new independent Non-Executive Directors were appointed at the start of the year, Carol Hosey as Chair of the Remuneration Committee and Leslie-Ann Reed as Chair of the Audit Committee. Carol and Leslie-Ann's insight has been especially valuable in addressing the significant people, remuneration and financial issues raised by the Covid pandemic. This combined with the experience of William Eccleshare, our Senior Independent Director, has ensured the Board has benefited from a stable, enthusiastic and effective membership throughout the year.

Centaur is a business that operates with integrity, transparency and accountability, and the Board remains committed to the highest standards of corporate governance. More detail on our governance policies is set out from page 43.

Section 172 of the Companies Act 2006 requires the Board's decision-making to reflect the interests of a broader group of stakeholders, including employees. On page 31, you will find our Section 172 statement which highlights the initiatives the Company has taken to develop its culture and to live up to its values.

We are particularly proud of the employee panel that we established in 2019 to promote Diversity, Inclusion, Community and Engagement (DICE), which reports to Swag Mukerji and has Carol Hosey as its non-executive sponsor. In 2020 DICE worked closely with employees to implement a series of policies and programmes to help Centaur build a more diverse and inclusive workplace. DICE also played a vital role in supporting the business through the pandemic by setting up a series of virtual social activities and online initiatives to help employees cope mentally and physically with the challenging circumstances. The impact of these programmes and policies was measured through qualitative employee feedback which was extremely positive.

Outlook

While the progress of the pandemic remains uncertain, the early success of the UK Government's vaccination programme gives ground for hope that trading and working conditions will continue to normalise over the course of 2021. The Group continues to maintain a robust balance sheet and based on the current momentum in the business, and in particular our Flagship 4 brands, the Board is confident Centaur can make further progress in 2021 towards meeting the goals of its MAP23 strategy.

COLIN JONES
Chair

16 March 2021

Strategy

OUR FLAGSHIP 4

xeim
Excellence in marketing

Mini MBA in Marketing

influencer intelligence

Econsultancy

THE LAWYER

MAP23

>£45m
Revenues by 2023

23%
Adjusted EBITDA margin by 2023

Centaur is an international provider of business information, training and specialist consultancy that inspires and enables customers to excel at what they do, raise their aspirations and deliver better performance.

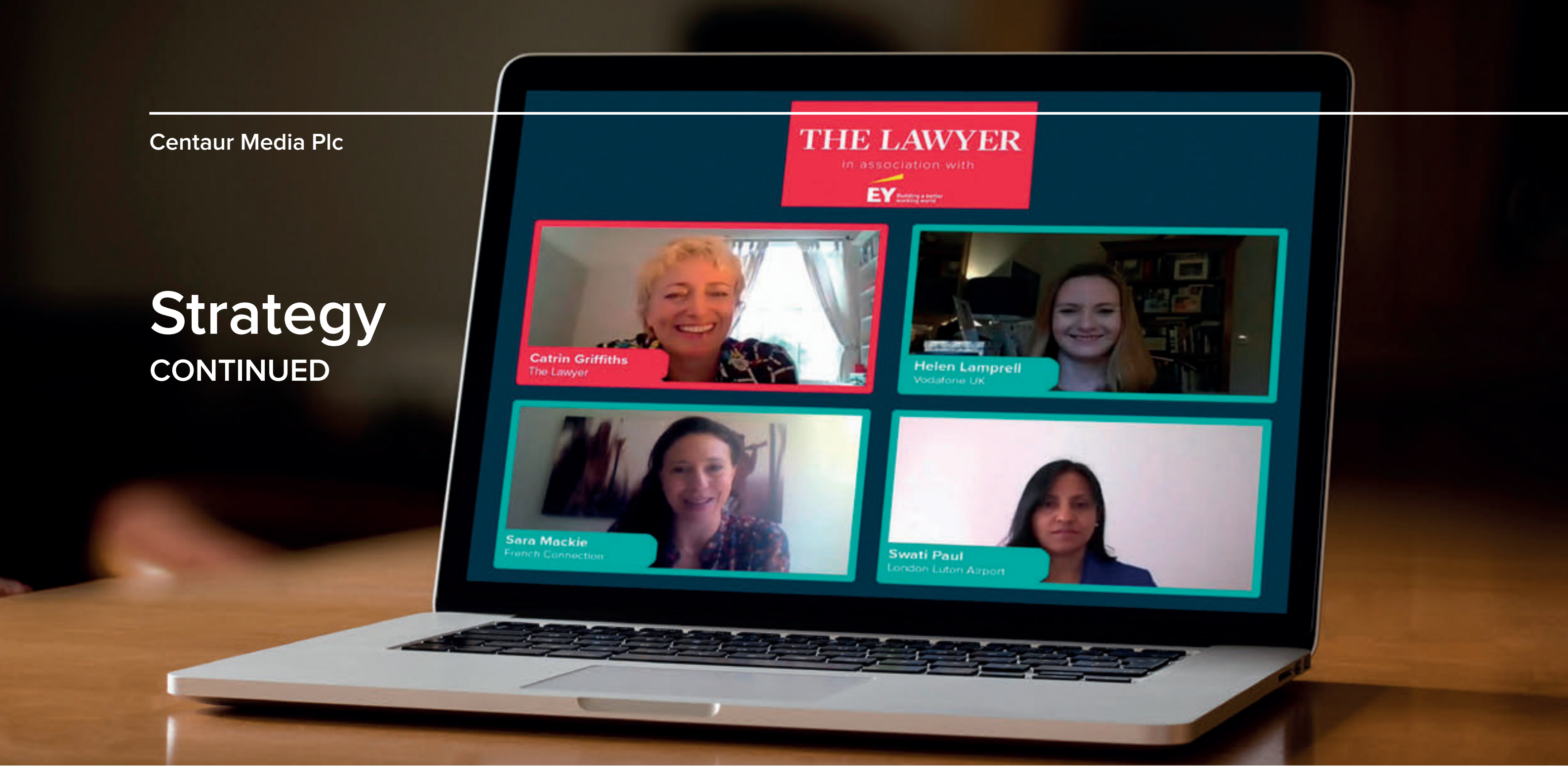
In recent years, the Group has evolved rapidly as we focus on the paid provision of business intelligence, consultancy, training and lead generation, building on the reputation and trust established from our history in providing highly valued thought-leading content in innovative ways.

In 2019, Centaur completed a radical transformation programme to create a simpler and more efficient Group focused on two attractive sectors: the marketing and legal professions. By divesting 21 of our smaller and ex-growth brands, we simplified our business, raised £16.3m net cash and established the platform to drive margin enhancement through profitable revenue growth and margin and cost synergies.

As a result of this transformation, Centaur is a more effective and efficient business comprising two business units – Xeim and The Lawyer.

Xeim takes its name from e**X**c**e**llence **I**n **M**arketing and its purpose is to accelerate performance for marketers. The Xeim portfolio brings together the Group's marketing brands to deliver business information and specialist consultancy to the marketing sector. It achieves this by providing the advice, intelligence and connections that marketers need to set themselves apart from their peers. Our market-leading brands and industry experts provide insight, analysis and proprietorial content, attracting over 6 million digital contact points every month. Xeim brands include Influencer Intelligence, Marketing Week, Mini MBA, Creative Review, Econsultancy, the Festival of Marketing, Really B2B and Xeim Labs.

Strategy
CONTINUED



In The Lawyer, Centaur owns the most trusted brand for the UK legal profession and a leading provider of intelligence to the global legal market, delivered via a scalable digital platform. The Lawyer has built on its heritage and reputation for providing incisive analysis of the UK legal market to develop a much more international business providing market intelligence to the world's largest law firms. The Lawyer counts 90% of the top 50 UK and top 50 US law firms in London among its corporate subscribers.

MAP23

MAP23

Three-year plan to grow revenues to >£45m and profit margins to 23% by 2023

An international provider of market intelligence and specialist consultancy

- **Flagship 4**
  - Mini MBA
  - Econsultancy
  - Influencer Intelligence
  - The Lawyer
- **Core Brands**
- **Customer focus**
  - Sell more to existing customers
  - Optimise pricing
  - Cross-sell Xeim
- **Investment**
  - Systems
  - People
- **New products**
  - Digital subscriptions
  - Common technology stack
  - New content offerings
- **International growth**
- **Control of costs**

Our strategic focus is to deliver the new targets set out under our Margin Acceleration Plan, known as MAP23. An evolution of MAP22, we updated this plan in January 2021 following a review of our strategy in the wake of the pandemic. As part of MAP23, we are focused on raising Group Adjusted EBITDA margins to 23% by 2023 while organically increasing revenue to more than £45m. Centaur's resilience during the pandemic, the Company's strong balance sheet and improving revenue gives the Board confidence that we will deliver on these targets.

MAP23 is intended to deliver its targets through a combination of profitable organic revenue growth and operational cost leverage. The most important actions include:

- Focusing investment and resource allocation on our Flagship 4 brands – the four brands which we have identified as our key growth drivers encompassing Econsultancy, Influencer Intelligence, Mini MBA and The Lawyer;
- Delighting our customers through excellent customer service;
- Investing in technology and continuing to develop our digital offering through new products and services;
- Increasing focus on cross-selling Xeim's suite of products and services to enterprise clients;
- Creating further opportunities for growth through Xeim's wider portfolio of Core Brands;
- Investing in marketing, building out our marketing teams to increase brand profile and sell our products to a broader range of international clients; and
- Continuing to leverage our cost base by managing costs tightly as revenue grows.

Structure

In 2019, we restructured Centaur into a much simpler business consisting of Xeim, the name adopted by our marketing business, and The Lawyer. From 2019, we started reporting revenue in a new, clearer way to reflect our simpler portfolio and more accurately represent Centaur's different revenue streams. Following the restructuring of MarketMakers (outlined in greater detail below), we have now closed the telemarketing services arm of our business and so, from this point, will report revenue for Xeim and The Lawyer under the following categories:

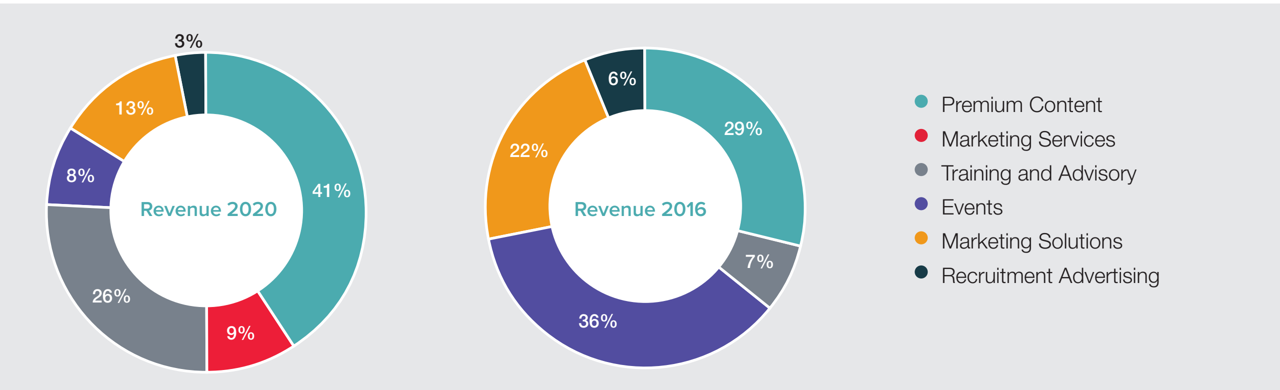
- Premium content comprising subscription-driven paid content services;
- Marketing services from campaign management and marketing automation;
- Training and advisory from marketing consultancy, digital learning and online training;
- Events including sponsorship and delegate revenue from conferences, awards, and large-scale events;
- Marketing solutions including display and bespoke client campaigns; and
- Recruitment advertising being sector-focused job advertisements including digital advertising.

The chart below shows which brands derive revenue from each category:

Brand	Premium Content	Marketing Services	Training and Advisory	Events	Marketing Solutions	Recruitment Advertising
Econsultancy	✔		✔	✔	✔	
Influencer Intelligence	✔					
Mini MBA			✔			
Festival of Marketing				✔		
Creative Review /Design Week	✔			✔	✔	✔
Marketing Week	✔				✔	✔
Fashion & Beauty Monitor	✔					
Oystercatchers			✔	✔		
Really B2B		✔				
The Lawyer	✔			✔	✔	✔

We have been encouraged by the continued improvement in the quality of our revenue streams, both following the transformation of our portfolio as well as over the course of 2020. 41% of our revenue from continuing operations came from our premium content (2019: 36%) while only 3% (2019: 6%) was derived from recruitment advertising. Despite the impact that Covid has had on Centaur, we are pleased to see the quality of our revenue continue to improve.

The charts below show the transformation of Centaur over the last 5 years with higher value revenues from premium content, marketing services and training and advisory increasing from 36% in 2016 to 76% in 2020 and revenue from events, marketing solutions and recruitment advertising reducing from 64% to 24% in that same period. Revenue from outside the United Kingdom has also increased, to 31% from 24% in 2019, with a lift of 4% to £10.0m as Centaur extends its international reach.



Strategy
CONTINUED

Our portfolio

To achieve our MAP23 ambitions, we will focus investment and resource allocation on the Flagship 4 brands which we have identified as the key drivers for revenue growth over the next three years. As outlined above, the Flagship 4 comprises Econsultancy, Influencer Intelligence, Mini MBA and The Lawyer. Each of these brands has performed consistently well throughout the pandemic, winning new contracts and witnessing growth in customer engagement.

Econsultancy

Econsultancy is our digital platform that transforms the knowledge, skills and mindset of thousands of marketing, digital and ecommerce professionals to achieve digital marketing excellence.

Our aim for 2021 is to build upon Econsultancy's position as the market-leading Digital Transformation specialist. We will continue to improve its "blended learning" offering, combining online learning with live training sessions, launch virtual Econsultancy Live events and expand the "digital subject matter" content on the website.

influencer intelligence

Influencer Intelligence is our market-leading data intelligence search and measurement platform for influencer and talent-led marketing campaigns, providing data-driven information, tools and proprietary analysis.

Despite the challenges posed by the pandemic, we remain confident in a product that gives us access to an industry that is forecast to be worth more than US$15 billion in 2022[2]. Over the course of the coming year, we will continue to expand the number of influencers covered, launch new tools for campaign management and measurement and introduce an ecommerce "Influencer Light" offering for SME businesses.

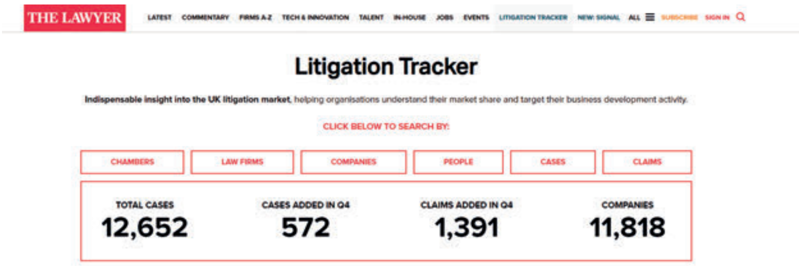
Mini MBA is our online MBA-level course in marketing developed under the Marketing Week brand.

Following a very strong year in 2020, we will continue to develop our Mini MBA customer programme through the launch of a new and improved edition of the marketing course. We will also continue to drive the development of new partnerships through targeted marketing campaigns as we expand our sales team with a particular focus on building the Mini MBA brand in North America. To support these efforts, we are also launching a new, dynamic Mini MBA marketing website which will include case studies and testimonials.

[2] Source: Mediakix data

THE LAWYER

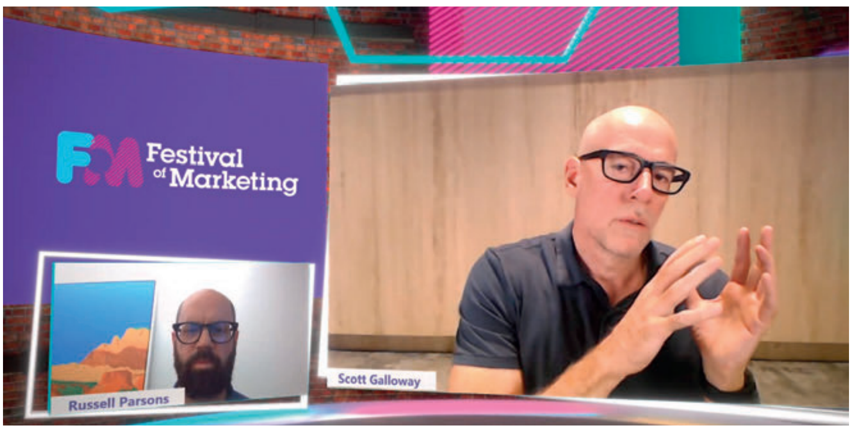
The Lawyer – The most trusted brand for the UK legal profession and a leading provider of intelligence to the global legal market delivered via a scalable digital platform.



Client renewal rates and online usage performance remained strong for 2020. For the coming year we will develop new paid content and products in conjunction with the input and collaboration of our customers. We also take the learnings from the virtual events we held during the pandemic to launch new and improved hybrid events. These events will use technology to increase the global reach for speakers and attendees, virtual speed networking and community building apps to create events that combine the best of both worlds.

Outside the Flagship 4, our wider portfolio of Core Brands will continue to support Centaur's growth and play an important role in creating opportunities for Centaur, through the cross-selling of our products and services, introducing us to a wider customer base and demonstrating the breadth of our business intelligence. These include:

- **Festival of Marketing** – an annual thought leadership, learning and networking event that has become the largest global event dedicated to brand marketers. Having successfully held the event virtually in 2020, we plan to offer a bespoke event for 2021, combining the networking benefits of a physical event with digital additions to make it accessible to a wider, global audience. This will include the introduction of a digital annual, festival pass for corporate customers. To complement the main event, in 2021 we will also be launching two new events to be held in March and June;
- **Marketing Week** – for over 40 years, the most influential source of marketing information in the UK. In 2021, we will continue to build on the Marketing Week Knowledge Bank which allows Xeim to generate additional revenue for proprietary research and white papers published on the website;
- **Really B2B** – as demand generation and ABM experts, Really B2B delivers creative campaigns to drive its clients' return on marketing investment. It was the most awarded marketing services business at the 2020 B2B Marketing Awards, securing wins for its work with M&S, British Gas and Kettyle Irish Foods. Going forward, the team will continue to focus on attracting higher value enterprise clients while working on integrated content and demand-led campaigns by cross-selling with the Xeim Labs team;
- **Xeim Labs** – the single access point to Xeim's community of marketers, which accelerates the effectiveness of marketers by targeting marketers and creatives. In 2021, we will build a stronger link and integration between digital events and digital online content to drive more leads for clients, as well as offering commercial content-led research packages in partnership with Econsultancy; and
- **Oystercatchers** – as one of the Financial Times most highly regarded management consultancies in the UK, Oystercatchers have distinguished themselves from the competition in an increasingly competitive marketplace by providing best in class agency pitch and business performance transformation advice to its clients. It believes that the right team, the right ways of working and the right client:agency relationships transform business performance.



Next steps

While Covid has had a significant impact on the business, we have witnessed the resilience of Centaur and its brands. Our aim remains to be the "go to" company in the international marketing services and legal sectors to:

- **Advise** businesses on how to improve their performance and ROI;
- **Inform** customers using data, content and insight with the provision of business intelligence products; and
- **Connect** specific communities through digital media and events.

In 2021, our focus is to continue to drive organic revenue growth over the next three years to deliver our MAP23 strategy. To do this, we will focus investment and resource allocation on our Flagship 4 brands while continuing to develop our wider portfolio, increasing focus on cross-selling our products and building on their synergies. We are confident in our MAP23 plan: the targets are ambitious and achievable and, with our strong balance sheet and unique portfolio of brands, leaves us well-placed to capitalise on future opportunities.

Performance

CEO REVIEW

"We will continue to focus on providing cutting-edge insight, training and analysis, building strong and lasting relationships with our customers and delivering long-term sustainable returns to our shareholders as we emerge from the pandemic."

SWAG MUKERJI
Chief Executive

Overview of 2020

This is my second report to you as Centaur CEO, and it comes on the back of what has been an extraordinary year. It is hard to underestimate how challenging 2020 was, with vast swathes of our customers, our industry and the wider economy forced to shut down for extended periods. I am pleased by the resilience and agility the Group has shown, driven by the energy, commitment, drive and can-do tenacity of our people, to whom we owe our sincere thanks.

Looking back to last January, Centaur made a strong start to the year, building on the momentum that we carried over from the final quarter of 2019. It meant that we were well on track to deliver planned revenue growth, benefit from the 2019 cost savings and achieve the margin target set out under MAP22, our Margin Acceleration Plan strategy.

We started to feel the impact of Covid from March and took immediate action to mitigate the effect on our clients and our business, protect the health and safety of our employees and customers and ensure Centaur's long-term financial stability.

The enforced closure of large parts of the UK economy had a severe impact on our revenues in the second quarter, but the measures we took significantly reduced the effect on our profitability from the resulting revenue loss.

Over the second half of the year, trading saw a gradual recovery, and this gave us sufficient confidence to review and update our strategy. We now have new targets for our Margin Acceleration Plan, now known as MAP23. As part of MAP23, we are focused on raising Group Adjusted EBITDA margins to 23% by 2023 while increasing revenue to more than £45m.

MAP23 will be driven by our Flagship 4 brands – Econsultancy, Influencer Intelligence, Mini MBA and The Lawyer – supported by our wider portfolio of Core Brands. The Flagship 4 are all products that did not exist in their current guise five years ago and are each a clear demonstration that we can innovate and build growing new products based on the trust and confidence in the editorial content of our brands.

Results for the year

At the start of 2020, Centaur was emerging from a radical transformation which saw it reshaped into a simpler business focused on two sectors – marketing services through Xeim and legal services through The Lawyer. We were well placed to achieve the revenue growth set out under our MAP22 strategy, in addition to the £6m of annualised cost savings that had already been delivered by the end of 2019.

The disruption caused by Covid led to a significant impact on revenues and EBITDA, but the investment we had made in digital transformation in recent years ensured that we could continue to serve our customers. We successfully moved our training and events to an online format, as I will outline in greater depth below.

The upshot was that our Adjusted EBITDA margin was sustained. Our brands remained resilient and this, combined with the impact of our significant 2019 cost cutting measures and adaptation to the new environment, gave us breathing space throughout the first lockdown.

Over the second half of the year, our business saw a recovery with growing momentum, providing us the confidence to put in place our MAP23 strategy to guide Centaur over the coming years. The transformation of Centaur over the last 5 years is evidenced with higher value revenues from premium content, marketing services and training and advisory increasing from 36% in 2016 to 76% in 2020 and revenue from events, marketing solutions and recruitment advertising reducing from 64% to 24%. Revenue from outside the United Kingdom has also increased to 31% from 24% in 2019 with a lift of 4% to £10.0m as Centaur extends its international reach.

Nonetheless, the severe impact of the pandemic on our customers and events affected our results for 2020. Centaur posted a break-even adjusted operating profit and a statutory operating loss of £2.3m on revenues of £32.4m (2019: £39.6m), with Group Adjusted EBITDA margin growing from 10% to 12%.

Through a focus on prudent financial cash management and continuing tight control of costs, Centaur ended the year with a cash balance of £8.3m (2019: £9.3m). This is after paying £1.2m in exceptional costs in H2, mainly related to the closure of MarketMakers, which will be outlined below. The Group also has access to a new three-year revolving credit facility of £10m.

Dividend

On 27 May 2020, the Group announced that it was cancelling payment of the final 0.5p dividend relating to the 2019 financial year in order to preserve cash during the pandemic. The Board also decided not to pay the 2020 interim dividend and kept the situation under review. The Board now proposes a 0.5p final dividend relating to the 2020 financial year and is recommending that Centaur resumes its normal dividend policy of 40% of adjusted retained earnings, subject to a minimum of 1p per share. The Board will also consider resuming further returns of capital once the longer-term impact of Covid on the Group's cash flow becomes clearer.

Operational Review

Centaur comprises two business units, Xeim and The Lawyer. Xeim is Centaur's largest business and contributes 80% of Group revenues, with The Lawyer making up the balance. Each business unit is run on a stand-alone basis with dedicated management teams supported by streamlined central functions.

Both Xeim and The Lawyer saw revenues decline over the course of 2020, which reflects the loss of event delegates and recruitment advertising sales due to the pandemic. Our premium content revenues were impacted to a lesser extent with some recovery of subscription renewal rates being experienced in the second half of the year.

A key contributor to this was the investment we made in developing our digital capabilities over recent years. As I will touch upon below, our ability to harness technology to continue to engage our existing customers and win new business has been a crucial element in the resilience of our brands across both Xeim and The Lawyer.

Looking forward, brands from Xeim and The Lawyer will play an important role in the implementation of our MAP23 strategy.

xeim Excellence in marketing

Xeim was formed in early 2019 and brings our marketing brands into a single business unit, allowing us to manage them more effectively, cross-sell our products more efficiently, eliminate duplication of effort and enhance their margins. Xeim represented 80% of revenues in 2020 and posted a 14% decrease in underlying revenue, a 40% decrease in Adjusted EBITDA and an Adjusted EBITDA margin of 17%.

Xeim interacts with its customers by using the power of its brands to generate different types of revenues, creating both cross-selling opportunities and operational synergies. Xeim's customer centric strategy is achieving success with its largest customers as we create more tailored solutions and integrated services across multiple brands.

In 2020, Xeim increased revenue from its top 50 customers to 34% of total revenues (2019: 30%) with an average spend that only reduced by 7%, compared with the 14% overall decline in underlying revenue. In order to increase the strategic focus on cross-selling Xeim brands to customers within this valuable customer segment, we have recently created a centre of sales excellence in Xeim. In addition, there are specific product teams for each of the Mini MBA, Econsultancy and Influencer Intelligence Flagship brands with a separate unit for the Core Brands.

Xeim brands will play an important role in the implementation of our MAP23 strategy, with particular focus and investment being placed on the Flagship brands Econsultancy, Influencer Intelligence and the Mini MBA.

A selection of our Xeim clients

salesforce

British Gas

Unilever

BAYER

Standard Bank

AberdeenStandard Investments

M&S CORPORATE GIFTS

accenture

Nestlé

Adobe

TikTok

PZ Cussons

IKEA

itv

Performance

CEO REVIEW CONTINUED

Econsultancy is our digital platform that provides online training, insight and essential information to transform the knowledge, skills and mindset of thousands of marketing, digital and ecommerce professionals. It focuses on subject matter areas which underpin digital excellence, defining 'what good looks like' and customers receive reports, webinars and analyst sessions as part of their subscription package.

During 2020, Econsultancy initially experienced some disruption and delays as a result of Covid, as companies cut costs and deferred spend. The team transitioned swiftly and effectively to instructor-led training to ensure they could deliver best practice, in a virtual environment, rather than simply replicating face-to-face workshops online. Over the course of the year, we put greater emphasis on this "blended learning" offering and average scores stayed at over 90%, very good or excellent, in this revised format.

The transition made Econsultancy perfectly placed to meet the demand for training in Digital Transformation and Ecommerce and this has accelerated throughout 2020. Demand for services has increased over the last six months as companies focus more on digital transformation and new ways of working, with a significant number of new, global enterprise clients signing up for multi-year capability programmes. As a result of the pandemic, subscription renewal rates decreased significantly in Q2, but recovered in H2 such that the year-on-year renewal rate remained flat.

Influencer Intelligence is our market-leading data intelligence search and measurement platform for influencer and talent-led marketing campaigns, providing data-driven information, tools and proprietary analysis.

Influencer Intelligence started 2020 with strong momentum, but the pandemic badly impacted its target customer segments, primarily in the fashion and retail sectors. As a result, we achieved renewal rates for the year of 71%, a significant fall from 89% in 2019.

Despite this, we remained confident that the market would recover and continued with our planned product development. Over the course of 2020, Influencer Intelligence increased the volume of influencers on its platform that are supported with full analytics functionality. It also created a new design, look and feel to the platform and a direct link to Xeim's Fashion & Beauty Monitor service.

Additionally, Influencer Intelligence launched its new campaign measurement tool in February 2021 which enables marketers to measure the true impact of their influencer marketing investments across Instagram, Facebook, YouTube, Twitter and TikTok. This is a key driver in the future growth of the business.

The Mini MBA, our online MBA-level course in marketing developed under the Marketing Week brand had a very strong year and continued to build on its successful 2019 with delegate numbers and revenue increasing by approximately 90%.

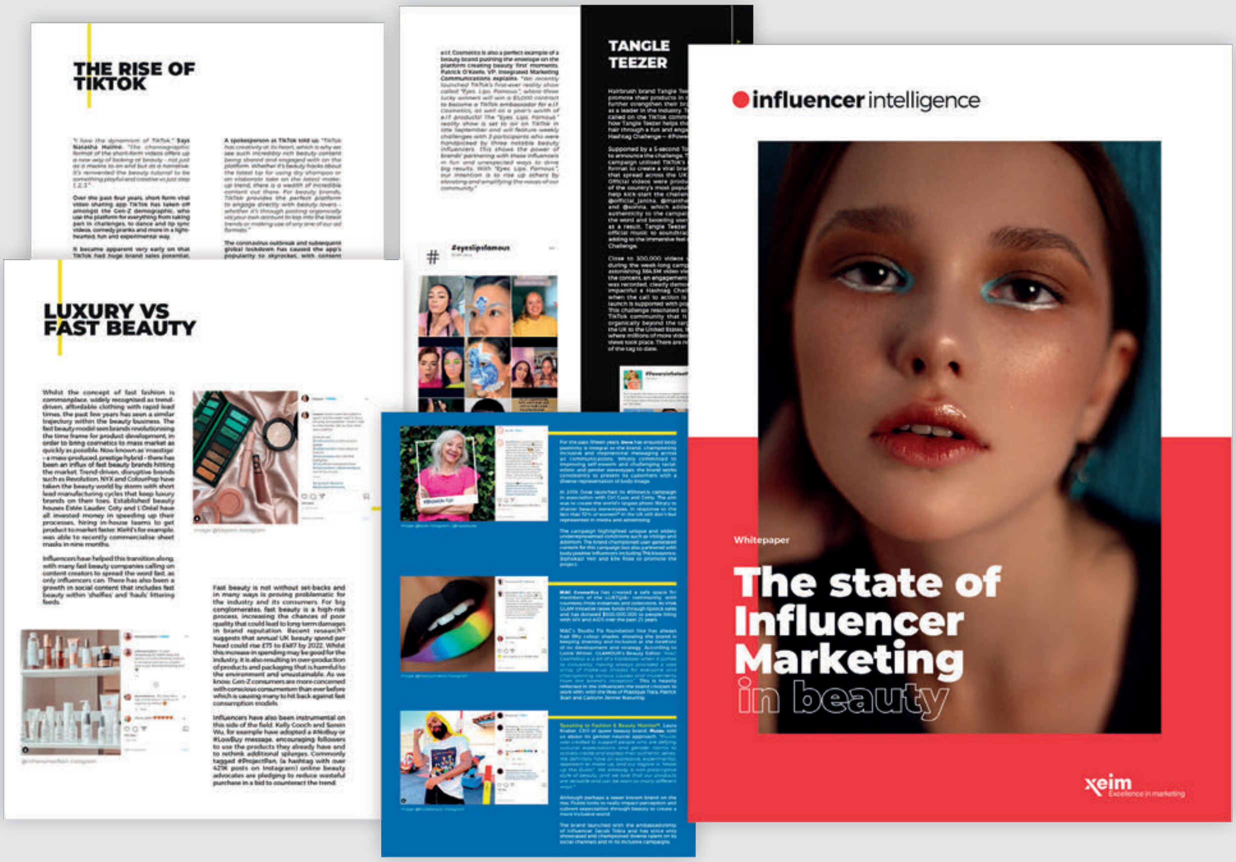
The Mini MBA is a good example of our product innovation over recent years and responded quickly to the challenges posed by the initial lockdown in Spring 2020. We swiftly implemented an ecommerce strategy to attract single user MBA candidates, supported by an enhanced marketing campaign targeted at employees working from home. This proved very successful and contributed to a doubling of delegates over the first half of 2020.

Since launch, there have been almost 11,000 global participants with 86 different nationalities. The course has a Net Promoter Score of +75 with customer satisfaction running at a commendable 98%.

The Mini MBA comprises two courses:

- The Marketing Week Mini MBA in Marketing: A CPD accredited, digital, MBA level course covering the same core marketing modules as leading MBA programmes; and
- The Mini MBA in Brand Management: A course which provides participants with the knowledge required to become a fully trained brand manager. It enables participants to take their career and the success of the brands they run to the next level.

Over the course of the year, we have run add-on brand management courses and bespoke work for companies such as Google, Flight Centre, Coles Supermarkets in Australia, the Marketing Academy and Westpac Bank.



Xeim's wider portfolio of Core Brands comprising Marketing Week, the Festival of Marketing, Creative Review, Oystercatchers, Design Week, Fashion Monitor, Foresight News, Really B2B and Xeim Labs, will also continue to play an important role in creating opportunities for Centaur by demonstrating the depth of our business intelligence and our ability to connect and provide valuable services to marketers and senior leaders.

The Festival of Marketing is a prime example of how our digital capabilities allowed us to adapt to the 'new normal' of online and virtual events. Not long into the pandemic it became clear that our usual two-day format at Tobacco Dock would not be feasible in the circumstances, so our team swiftly repositioned the Festival of Marketing as a paid-for online learning, development and networking experience in October 2020.

In some ways, it was our most ambitious event to date, comprising 80 sessions across five days, with the biggest names in marketing joining to address a different marketing issue each day. Highlights included sessions with Nile Rodgers, the artist, producer and songwriter responsible for some of the most recognisable music in the pop era; Richard Curtis, the internationally acclaimed writer and director; and the Chief Marketing Officers of global brands such as Lego, GSK and GE. 2020 had similar delegate numbers to the previous year and the change to an online format saw an increase in gross profit margin.

The Xeim Labs operation accelerates the effectiveness of companies looking to target marketers and decision-makers. The team provides a single access point to reach Xeim's unrivalled community of marketing professionals with a multi-channel approach to delivery. The team brings together content-led solutions, insights, audiences and outcomes by working with our Flagship 4 and Core brands.

Marketing Week continues to be at the centre of the marketing industry and underpins Xeim's reach and reputation in the sector, providing marketers with content of unrivalled authority and integrity. Daily content delivered through our digital platform provokes debate about the biggest questions in marketing and the important issues that elevate marketing as a driving force in business.

Following a challenging 2019, MarketMakers saw a further sharp fall in revenue due to the crisis, as several major customers were hit by disruption in their own markets. We took decisive action to restructure MarketMakers, with the unfortunate loss of around 180 roles. Closing the telesales arm of MarketMakers and focusing on the more profitable Really B2B arm will lead to short term decreased revenues, but margins will improve as will the profitability of the brand.

Towards the end of 2020, we appointed Will Johnston as Group Commercial Director to lead the Xeim Sales Programme which will drive a customer centric strategy to cross-sell our brands. Will is a proven B2B commercial operator with considerable sales leadership experience in high growth and subscription-based businesses and I welcome him to Centaur.

Looking ahead to 2021, our strong and resilient Xeim brands will all play an important role in our MAP23 strategy. While Econsultancy, Influencer Intelligence and the Mini MBA will have particularly important parts to play in achieving our targets, we will also be looking to the rest of our core Xeim brands to make a sizeable contribution.

Performance

CEO REVIEW CONTINUED

THE LAWYER

The Lawyer is a leading provider of intelligence to the global legal market, generating revenue from digital subscriptions, live and online events, and marketing solutions. The Lawyer represented 20% of revenues in 2020 and posted a 21% decrease in underlying revenue, a 34% decrease in Adjusted EBITDA and an Adjusted EBITDA margin of 33%. The fall in revenue and Adjusted EBITDA reflects the impact of Covid on events and recruitment advertising revenues partially offset by a 9% increase in underlying premium content revenue.

Over the course of recent years, The Lawyer has successfully moved to a multi-channel digital platform and was a key driver of our growth at the start of 2020. As the pandemic took hold, The Lawyer's strong digital presence allowed it to maintain its role as the most trusted brand for the UK legal profession and a leading provider of intelligence to the global legal market.

The Lawyer saw a substantial increase in its digital engagement with subscribers over the course of the year. The number of subscribers visiting TheLawyer.com per month increased by 17% compared with 2019. Subscribers also increased the frequency of their visits to the website, with the number of subscriber visits per month increasing by 29%.

In the first quarter of the year, it launched Horizon, a daily early morning email that draws on The Lawyer's data and research capabilities to pinpoint emerging trends in the business of law and was opened by 8,800 subscribers per day in 2020. While only available to subscribers, users do not have to visit TheLawyer.com to read Horizon as all the content is in their inbox, so interaction is an additional source of strong subscriber digital engagement. This strong digital engagement supported our highly successful subscription renewal efforts, with a renewal rate of 106% for 2020 demonstrating the trust put in the brand by the international legal market.

As with Xeim, we took an early decision to move our highest profile events for The Lawyer online. After a swift turnaround from our team, we launched a series of digital events at The Lawyer through In-House Financial Services 2020 ('IHFS'), a virtual conference attended by over 220 people and including exclusive virtual roundtables with handpicked attendees and full plenary sessions. The NPS from the event was +45, which is as high as the equivalent face-to-face event. Over the course of 2020 we delivered on more than 100 different virtual events, with over 6,000 total attendees.

These capabilities were instrumental in seeing The Lawyer named Business Information Product of the Year at the PPA Awards, the industry Oscars, and it is well-positioned to build on this success in 2021.

People and culture

Our executive committee is committed to ensuring we develop a culture that supports, engages and empowers employees to fulfil their potential. It is a culture that underpins our business ambition and we continue to develop internal training plans and communications processes to ensure our employees' success – and has become even more important in an environment where our workforce has been working from home.

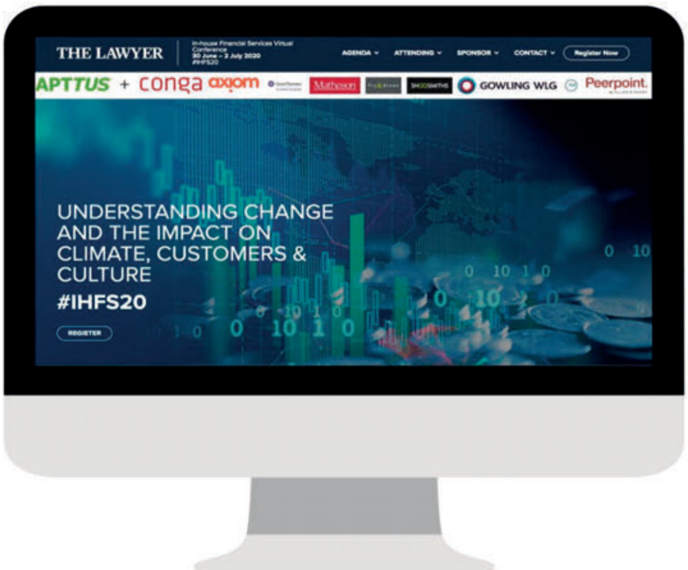
Across the Group, the gender balance is a female:male ratio of 58:42. At Board level, 33% of our Directors are female, as is the female representation on our senior leadership team. There is still much work to be done to encourage and promote women and ethnic minorities to senior leadership positions. We had 82% maternity returners and part time working arrangements have increased to over 10% of our employees.

In 2019 we established a workforce advisory panel to cover diversity, inclusion,

THE LAWYER

VIRTUAL EVENTS

Building and nurturing online communities to facilitate powerful conversations.



culture and engagement (DICE) to ensure that our culture supports and empowers our employees and promotes their ongoing development. DICE reports to me and frequently meets with the executive committee. There is also a nominated Non-Executive Director, Carol Hosey, to oversee the working of DICE. In recent months it has been instrumental in supporting our response to the Black Lives Matter movement and in developing our Antiracism, Inclusivity and LGBTQ+ pledges. A safe space has also been set up by DICE to support colleagues.

Our policies and working practices underpin an inclusive working environment and ensure that Centaur takes a proactive and progressive approach to supporting diversity. I am extremely proud of the fabulous achievements of DICE since it started. Our hiring policy is focused on appointing the best person for the job irrespective of race, gender, sexual orientation or disability. The Company also offers a range of mental health, wellbeing and fitness sessions.

During the pandemic, enhanced communication has been a key focus of our activity to foster a culture of inclusion and to keep up morale and focus. This has taken the form of weekly staff updates, monthly all staff Q&A sessions, monthly business Town Hall sessions, improvement project working groups, CEO breakfasts and informal group catch up sessions. DICE has also organised a range of social activities including a monthly quiz, book and film groups, and virtual Summer and Christmas celebrations.

We have also enhanced the range of support available to support mental and physical wellbeing. We have trained Mental Health First Aiders across the business and a comprehensive Employee Assistance Programme. 2020 saw the launch of an online GP App and a number of webinars and initiatives to support coping with change and uncertainty, building resilience and working from home effectively. We have also arranged more than fifty 121 coaching sessions and workshops for line managers to equip them to lead teams remotely. We have 15 formal mentoring arrangements in place and are looking to increase this during 2021. Reverse mentoring is also on the agenda.

Engagement and motivation are tracked on a weekly basis using our in-house engagement tool and there has been increased focus on performance development.

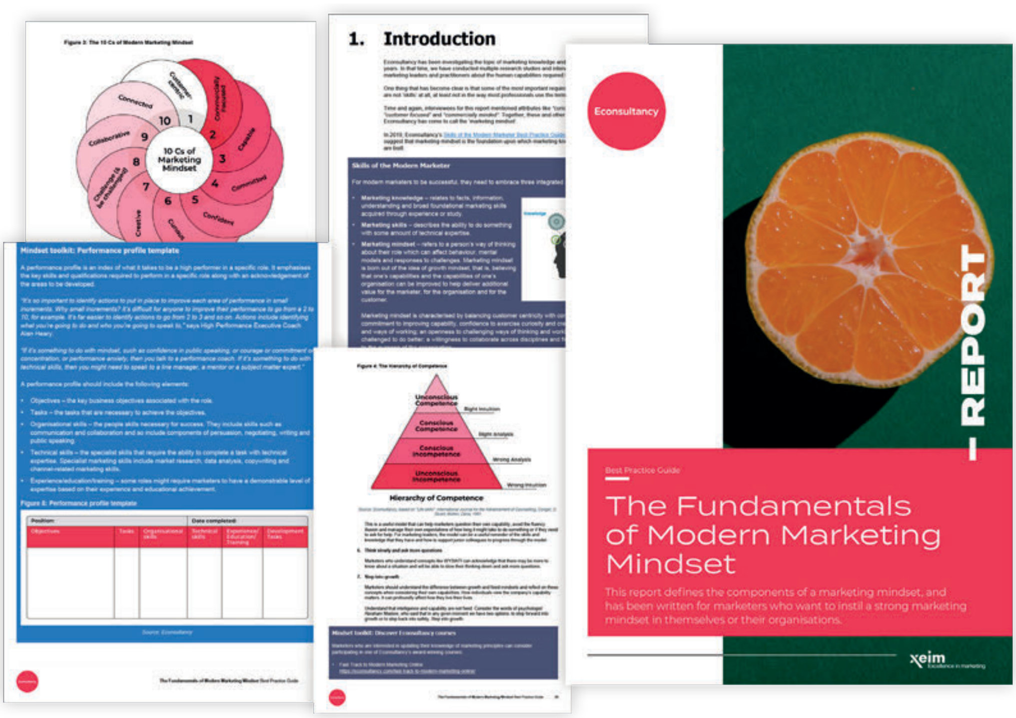
Summary

If 2019 marked a new chapter in Centaur's evolution, then 2020 was a year of testing our new structure to its limits.

I am pleased that Centaur emerged from last year a more resilient and agile business, something which can be attributed to three things – the investment in digital and subsequent adaptation of our brands to the new environment; cost-cutting and cash management measures we put in place both prior to and during the pandemic and, most importantly, the expertise, the commitment and tenacity shown by our employees in extremely challenging circumstances.

As I look to 2021 and beyond, while uncertainty remains, our strong balance sheet and growing momentum give me confidence for the future. We have the strategy and resources in play to achieve organic growth and the targets set out under our MAP23 strategy, and both our Flagship 4 and other Core Brands will have important roles to play in hitting those targets.

SWAG MUKERJI
Chief Executive
16 March 2021

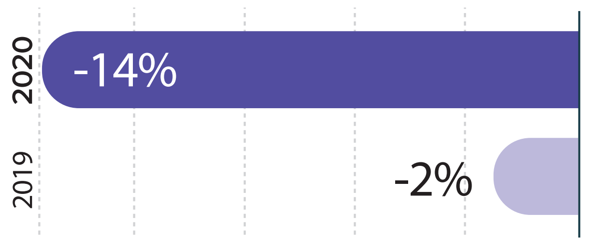


Key Performance Indicators

(FINANCIAL AND NON-FINANCIAL)

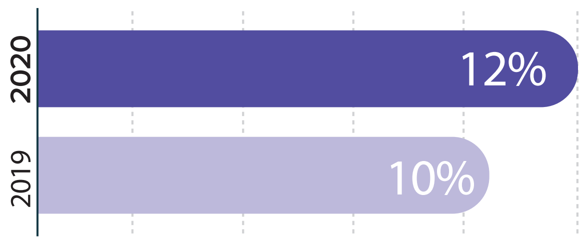
The Group has set out the following core financial and non-financial metrics to measure the Group's performance. The KPIs are monitored by the Board and the focus on these measures will support the successful implementation of the MAP23 strategy. These indicators are discussed in more detail in the CEO and financial reviews.

Financial



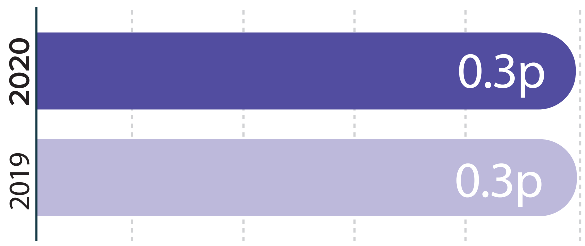
Underlying revenue decline*

The growth/(decline) in total revenue adjusted to exclude the impact of event timing differences, as well as the revenue contribution arising from acquired or disposed businesses.



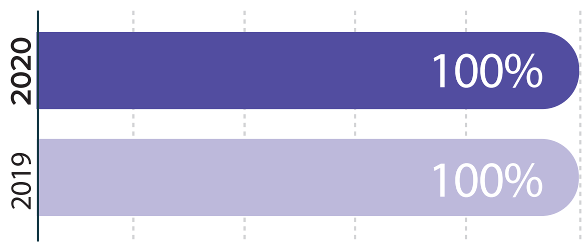
Adjusted EBITDA margin*

Adjusted EBITDA as a percentage of revenue where Adjusted EBITDA is defined as adjusted operating profit before depreciation and impairment of tangible assets, and amortisation and impairment of intangible assets other than those acquired through a business combination.



Adjusted diluted EPS*

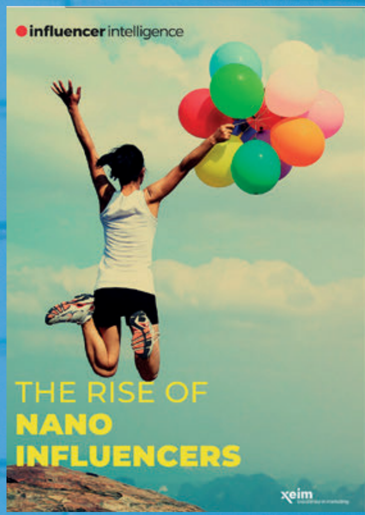
Diluted earnings per share calculated using the adjusted earnings, as set out in note 9 to the financial statements.



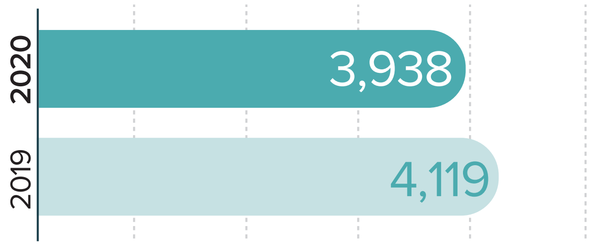
Cash conversion*

The percentage by which adjusted operating cash flow covers Adjusted EBITDA (on continuing and discontinued operations) as set out in the financial performance review.

*See definitions in Financial Review on page 18.

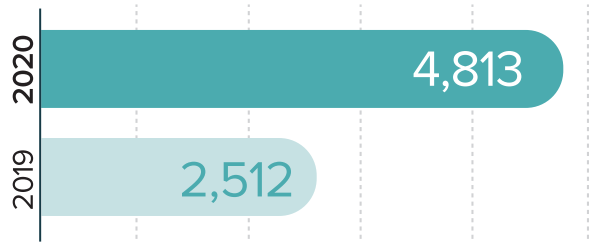


Non-Financial



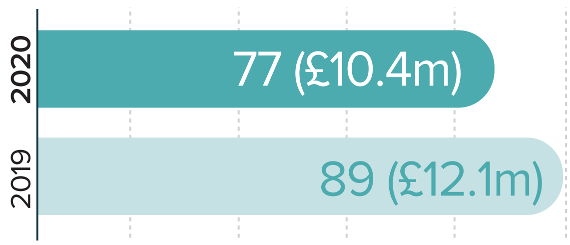
Attendance at Festival of Marketing

Number of unique delegates attending the Festival of Marketing.



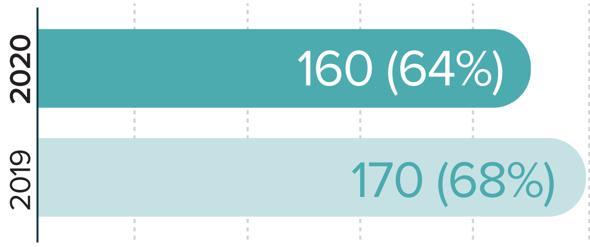
Delegates on Mini MBA course

Number of delegates on Mini MBA and related eLearning courses in the year.



Xeim customers >£50k

Number and value of Xeim customers that have sales in the year of greater than £50,000.



Top 250 law firm customers

Number and percentage of top 200 UK law firms and top 50 US law firms.

Performance

FINANCIAL REVIEW

> "The resilience of our brands, our cost-cutting initiatives and our strong cash balance mean that we are well-set to achieve the targets in our MAP23 strategy."
>
> **SIMON LONGFIELD**
> Chief Financial Officer

Overview

2020 has been a year of unprecedented challenges emanating from the pandemic. It has been challenging for Centaur with all physical events severely impacted by the social and governmental restrictions imposed as well as declines in most other revenue streams across our key brands, with the notable exception of training and advisory.

However, Centaur arguably moves into 2021 in a stronger position than in previous years. 2020 has seen the full benefit of over £6m in annualised cost savings from the programme announced in 2019 resulting in an improved adjusted operating profit performance this year over the prior year. This is despite lower profits from our Xeim and The Lawyer businesses. 2020 has also encouraged bold thinking – the Group moved quickly to close the low-margin telemarketing business at MarketMakers and also responded quickly to the opportunity to offer events and training in a virtual, rather than face-to-face, format. Having reduced our dependence on events revenue (37% of revenue in 2018 but only 13% in 2019) and generated significant cash proceeds from the disposal programme, Centaur had the flexibility and made good managerial decisions to exit 2020 in a strong position.

In our 2019 Annual Report and Accounts, we announced a 0.5p per ordinary share dividend to be paid in May 2020. We cancelled payment of that dividend shortly after the onset of the pandemic due to significant uncertainty about how the Group's cash profile would respond. I am delighted to report that, despite these worries, operating cash performance has remained very strong and the Group closed 2020 with £8.3m in the bank (2019: £9.3m). The Board is therefore pleased to be able to recommend the payment of a final dividend of 0.5p per share for the year 2020. In 2021, we will revert to our dividend policy of payment of either 40% of adjusted retained earnings or 1.0p per share – whichever is greater.

We are also pleased to announce the reassessment of our Margin Acceleration Plan ('MAP22') which targeted 20% Adjusted EBITDA in 2022 without the benefit of the impact of IFRS 16. Following the pandemic of this year, we have now amended this target to MAP23 which targets an Adjusted EBITDA margin of 23% in 2023. This is combined with a minimum revenue target of £45m for that year. Our future reporting will demonstrate our progress to achieving this target.

Performance

Group

Statutory revenue fell by £7.2m in 2020 – a fall of 18%. Xeim declined 17% and The Lawyer 22%. Underlying revenue for Xeim, excluding the impact of Marketing Week Live that was closed in 2019, fell 14% giving a consolidated fall in the Group's underlying revenue of 16%.

The Group posted an adjusted operating profit of £nil in the year (2019: a loss of £1.2m) and has therefore improved its like-for-like trading performance for the continuing business despite the impact of the pandemic in 2020. The Group has seen a full year's benefit of the cost savings programme reported in its 2019 Annual Report and has achieved an annualised cost reduction of over £6m. This has enabled the Group to outperform 2019 despite reduced revenues in various business lines during the year primarily as a result of the pandemic. The Group received payments from the government's Coronavirus Job Retention Scheme (CJRS) during the period from April to September 2020 totaling £0.8m in relation to approximately 130 furloughed employees. Of this amount £0.5m related to the MarketMakers telemarketing business in Portsmouth which, as described later in this review, we closed in August. The remaining £0.3m of the grant has therefore been recognised within the adjusted operating profit from continuing operations.

As a result of this performance, Adjusted EBITDA margin increased from 10% in 2019 to 12% in 2020 showing progress towards our MAP23 targets, albeit on reduced revenues. The Group is reporting a statutory loss after taxation of £14.4m (2019: a profit of £1.9m) primarily due to the closure of the MarketMakers telemarketing business in the year with impairment of £11.0m of goodwill.

xeim Excellence in marketing

Xeim's underlying revenue for 2020 was £26.0m, a reduction from £30.3m in 2019. Premium content fell 13% as some of our major brands (Econsultancy, Influencer Intelligence and Fashion Monitor) were impacted by economic uncertainty. Marketing Services, which represents our Really B2B business, saw a more significant fall of 33% partially as a result of the issues experienced at MarketMakers.

Underlying revenue from Xeim events halved to £1.6m with the vast majority of the reduction being driven by the move to a virtual event at the Festival of Marketing following the introduction of social distancing measures.

Training and advisory revenue saw strong growth of 12% on the back of continued excellent performance in eLearning revenues from both the Mini MBA and Brand courses, partially offset by reductions in training and advisory provided by Econsultancy and lower pitch revenues for the Oystercatchers business.

As highlighted, Xeim's telemarketing business, MarketMakers, was closed in 2020 and its results and prior-year comparatives are now represented as discontinued operations in line with accounting standards. Its results therefore do not form part of the commentary on continuing operations below.

Xeim reports an Adjusted EBITDA of £4.3m for the year, a reduction from £7.2m in 2019. Despite responding quickly to the economic downturn by cutting business unit costs significantly, the reduction in statutory revenue of £5.4m has impacted Xeim's result for the year.

Xeim contains three of the Group's Flagship 4 brands – Econsultancy, Influencer Intelligence and Mini MBA.

Econsultancy revenues fell 12% in the year driven primarily by a 17% reduction in premium content revenues and 14% fall in training revenues. New business was severely impacted by the economic downturn for the period of March to May but picked up strongly in the final four months of the year so that overall, year-on-year new business subscription sales increased 21%. Renewals struggled during the first half of the year as the pandemic created uncertainty in our customer base but recovered in the second half such that a subscription renewal rate of 64% was achieved, a flat performance compared to 2019. Renewal rates will be driven upwards in 2021 through our blended learning strategy increasing usage as a result of better content format, together with improved account management processes.

Econsultancy's face-to-face training and advisory contracts were significantly impacted by the restrictions imposed due to the pandemic. The shifts to virtual training partially mitigated the fall with some sizeable digital transformation advisory contracts being executed and delivered in the second half of the year. Through continued improvement in its blended learning proposition, the introduction of Econsultancy Live events and building on our market-leading position as digital transformation specialists, we anticipate that Econsultancy revenues will return to growth in 2021.

Influencer Intelligence revenue has fallen 6% in the year on the back of a reduction in new business as many of our potential customers in the retail and fashion sectors struggled. Renewals fell, in terms of both volume and value, during the first four months of the pandemic but picked up strongly from the summer. We anticipate significant billings growth in 2021 from the combination of increasing renewal rates, an uplift in new business, customer upselling relating to new campaign management tools and a new ecommerce product for SME customers.

The Mini MBA has had an exceptional year with delegate numbers up 92% year-on-year and NPS scores of +75. Both the marketing and brand courses in the spring and autumn cohorts achieved excellent growth and in addition we delivered a bespoke version of the marketing course for several customers. Overall, revenue increased 89% on 2019 and growth is anticipated to continue into 2021 due to improvements in the course, the launch of a new marketing website and through targeted marketing campaigns.

Of our core Xeim brands, Festival of Marketing saw a significant downturn in revenue due to the restrictions of the pandemic and as a consequence, we moved swiftly to launch it as a virtual event in 2020. Although delegate numbers only fell by 4% year-on-year, the yield was significantly lower. Sponsorship was also hit as a large decline in individual sponsors was only partially offset by an improved average yield. We will continue to monitor the Covid situation with a view to only returning to a physical format when it is safe to do so.

MarketMakers business model became unsustainable after the onset of the pandemic and lost numerous large contracts. The Group made the difficult and sensitive decision to terminate its telemarketing business. However, the related Really B2B marketing services business has now been fully merged into Xeim and is expected to return to revenue growth in 2021 after a difficult year.

Performance

FINANCIAL REVIEW CONTINUED

THE LAWYER

The Lawyer continued to show growth (9%) in underlying premium content revenue as yield and renewal rates remained strong, primarily in corporate subscriptions which grew 11%. Overall underlying revenues for The Lawyer fell 21% due to the impact of Covid. The cancellation of face-to-face events, partially mitigated by a move to virtual events, led to a 57% reduction in event revenue. High-margin recruitment advertising fell 40% as economic uncertainty grew in 2020 and law firms delayed hiring.

This led to a fall in Adjusted EBITDA from £3.2m in 2019 to £2.1m in 2020. The underlying business continues to perform strongly and the ability of the business to grow premium content during a severe recession indicates how important it has become to leading law firms and their fee earners.

Measurement and non-statutory adjustments

The statutory results of the Group are presented in accordance with International Financial Reporting Standards ("IFRS"). The Group also uses alternative reporting and other non-GAAP measures as explained below and as defined in the table on page 25.

Adjusting items

Adjusted results are not intended to replace statutory results but are prepared to provide a better comparison of the Group's core business performance by removing the impact of certain items from the statutory results. The Directors believe that adjusted results and adjusted earnings per share are the most appropriate way to measure the Group's operational performance because they are comparable to the prior year and consequently review the results of the Group on an adjusted basis internally. Statutory operating loss from continuing operations reconciles to adjusted operating loss and Adjusted EBITDA as follows:

	Note		2020 £m		Re-presented 2019 £m
Statutory operating loss			(2.3)		(7.8)
Adjusting items:					
Exceptional operating costs	4	0.2		4.7	
Amortisation of acquired intangible assets	11	1.5		1.7	
Share based payments	24	0.5		0.1	
Loss on disposal of assets and liabilities	11,12,19	0.1		–	
Loss on disposal of subsidiary	8,14	–		0.1	
			2.3		6.6
Adjusted operating loss			–		(1.2)
Depreciation, software amortisation and impairment	3		3.8		5.2
Adjusted EBITDA			3.8		4.0
Adjusted EBITDA margin			*12%*		*10%*

Adjusting items from continuing operations of £2.3m in the year (2019: £6.6m) are comprised as follows:

ADJUSTING ITEM	DESCRIPTION
Exceptional operating costs	Exceptional costs of £0.2m relate primarily to staff restructuring costs following the onset of the pandemic. 2019 included £2.5m of staff restructuring costs and £2.2m of costs related to the divestment programme.
Amortisation of acquired intangible assets	Amortisation of acquired intangible assets of £1.5m has fallen slightly (2019: £1.7m) as certain assets have fully unwound. £0.4m (2019: £0.7m) of amortisation relating to MarketMakers was reallocated to discontinued operations.
Share based payments	Share based payments of £0.5m were higher than the 2019 comparative of £0.1m. 2019 contained a significant number of forfeitures and lapses of share options which resulted in reversals of charges previously recorded.
Loss on disposal of assets and liabilities	£0.1m relates primarily to small write-offs of software development costs and computer equipment as well as the right-of-use asset offset by the disposal of lease liability on exit of the Portsmouth lease.
Loss on disposal of subsidiary	In 2019, a loss of £0.1m on disposal of subsidiaries was reported relating to the sale of Venture Business Research ('VBR').

Underlying revenue and profit

The Group also measures and presents performance in relation to various other non-GAAP measures, such as underlying revenue. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results. The Group's activities are predominantly UK-based and therefore currency movements do not have a material impact on results.

In 2019, the Group disposed of VBR which was included in The Lawyer business unit. Due to its size it has not been treated as discontinued and its revenues (2020 £nil; 2019: £0.1m) were reported as part of the Group's continuing revenue in 2019. Marketing Week Live, which was included in Xeim, was closed in 2019 and therefore its revenue has also been excluded for underlying reporting purposes (2020 £nil; 2019: £1.1m).

No other underlying revenue adjustments have been made to the statutory revenue numbers.

Segment Profit

In 2019, we improved clarity around our business units' performance by introducing the concept of segmental profit which consists of gross contribution for a business unit minus specific overheads and also specific allocations of the central support teams and overheads that are directly related to each business unit. Any costs not attributable to either Xeim or The Lawyer, remain as part of central costs.

The table below shows the statutory and underlying revenue for each business unit:

				Re-presented		
	Xeim 2020 £m	The Lawyer 2020 £m	Total 2020 £m	Xeim 2019 £m	The Lawyer 2019 £m	Total 2019 £m
Underlying revenue						
Premium Content	9.5	3.7	13.2	10.9	3.4	14.3
Marketing Services	2.9	–	2.9	4.3	–	4.3
Training and Advisory	8.5	–	8.5	7.6	–	7.6
Events	1.6	0.9	2.5	3.2	2.1	5.3
Marketing Solutions	3.3	0.9	4.2	3.5	1.1	4.6
Recruitment Advertising	0.2	0.9	1.1	0.8	1.5	2.3
Total underlying revenue	26.0	6.4	32.4	30.3	8.1	38.4
Underlying revenue growth	*(14)%*	*(21)%*	*(16)%*			
Revenue from closed or disposed businesses	–	–	–	1.1	0.1	1.2
Total statutory revenue	26.0	6.4	32.4	31.4	8.2	39.6

Performance

FINANCIAL REVIEW CONTINUED

The table below reconciles the adjusted operating profit/(loss) for each segment to the Adjusted EBITDA:

					Re-presented			
	Xeim 2020 £m	The Lawyer 2020 £m	Central 2020 £m	Total 2020 £m	Xeim 2019 £m	The Lawyer 2019 £m	Central 2019 £m	Total 2019 £m
Revenue	26.0	6.4	–	32.4	31.4	8.2	–	39.6
Other income	–	–	–	–	–	–	1.6	1.6
Operating costs	(24.1)	(5.0)	(3.3)	(32.4)	(27.4)	(5.9)	(9.1)	(42.4)
Adjusted operating profit/(loss)	1.9	1.4	(3.3)	–	4.0	2.3	(7.5)	(1.2)
Adjusted operating margin	*7%*	*22%*		*0%*	*13%*	*28%*		*(3)%*
Depreciation, amortisation and impairment	2.4	0.7	0.7	3.8	3.2	0.9	1.1	5.2
Adjusted EBITDA	4.3	2.1	(2.6)	3.8	7.2	3.2	(6.4)	4.0
Adjusted EBITDA margin	*17%*	*33%*		*12%*	*23%*	*39%*		*10%*

Net finance costs

Net finance costs were £0.3m (2019: £0.3m). The Group held positive cash balances throughout the year and therefore in both 2020 and 2019 the vast majority of finance costs relate to the commitment fee payable for the revolving credit facility as well as interest on lease payments for right-of-use assets.

Taxation

A tax credit of £0.9m (2019 re-presented: £0.6m) has been recognised on continuing operations for the year. The adjusted tax credit was £0.6m (2019: an expense of £0.5m). The Company's profits were taxed in the UK at a blended rate of 19.0% (2019: 19.0%). On a reported basis, the effective tax rate is 35% (re-presented 2019: 7%). The 35% rate is driven by the revaluation of deferred tax balances to 19% from 17% and the timing of tax-deductible items relating to the 2019 disposal programme. See note 7 for a reconciliation between the statutory reported tax charge and the adjusted tax charge.

Discontinued operations

In 2020, discontinued operations relate to the closure of the MarketMakers telemarketing business that was terminated due to a significant reduction in revenue following the onset of the pandemic and include £11.0m of goodwill impairment. The 2019 comparatives include the re-presentation of the MarketMakers telemarketing business into discontinued operations within the reported statutory results for the Group.

	Discontinued 2020 £m	Discontinued 2019 £m	Continuing 2019 £m	As reported 2019 £m
Revenue	3.6	9.3	39.6	48.9
Other operating income	–	–	1.6	1.6
Net operating expenses	(15.9)	(9.9)	(49.0)	(58.9)
Loss on disposal	(0.7)	–	–	–
Operating loss	(13.0)	(0.6)	(7.8)	(8.4)
Finance costs	–	–	(0.3)	(0.3)
Loss before tax	(13.0)	(0.6)	(8.1)	(8.7)
Taxation	0.3	0.1	0.6	0.7
Loss after tax	(12.7)	(0.5)	(7.5)	(8.0)

Earnings/loss per share

The Group has delivered adjusted diluted earnings per share for the year of 0.3 pence (2019: 0.3 pence). Diluted earnings per share for the year were a loss of 10.0 pence (2019: earnings of 1.3 pence). Full details of the earnings per share calculations can be found in note 9 to the financial statements.

Dividends

In 2019 the Group announced a new dividend policy, applicable from 1 January 2020 such that Centaur will target a pay-out ratio of 40% of adjusted retained earnings, subject to a minimum dividend of 1.0p per share per annum.

In light of this, the Group proposed a final dividend in March 2020 of 0.5p per ordinary share in respect of 2019. However, following the onset of the pandemic and the uncertain impact on cash, the Group announced in May 2020 that it was prudent to cancel the payment of that final dividend.

Following the relatively robust performance of the Group over the last year and strong cash balances, the Board is pleased to announce its intention to reinstate the payment of dividends and is proposing a final dividend of 0.5p per ordinary share in respect of the 2020 year.

This dividend is subject to shareholder approval at the Annual General Meeting and, if approved, will be paid on 28 May 2021 to all ordinary shareholders on the register at the close of business on 14 May 2021.

Cash flow

	2020 £m	2019 £m
Adjusted operating profit[1]	–	1.8
Depreciation, amortisation and impairment	4.0	5.5
Movement in working capital	2.5	–
Adjusted operating cash flow	6.5	7.3
Capital expenditure	(0.8)	(1.6)
Cash impact of adjusting items	(4.6)	(2.7)
Taxation	–	0.1
Repayment of lease obligations and interest	(2.1)	(2.5)
Free cash flow	(1.0)	0.6
Acquisitions	–	(0.1)
Disposal of subsidiaries	(0.1)	16.4
Disposal of intangible assets	0.1	–
Share repurchases	–	(0.6)
Dividends paid to Company's shareholders	–	(7.1)
(Decrease)/increase in net cash	(1.0)	9.2
Opening net cash	9.3	0.1
Closing net cash	8.3	9.3
Cash conversion	*100%*	*100%*

1. Adjusted operating profit for the purposes of the cash flow includes the adjusted operating profit from discontinued operations of £nil (2019: £3.0m).

Performance

FINANCIAL REVIEW CONTINUED

Adjusted operating cash flow is not a measure defined by IFRS. Centaur defines adjusted operating cash flow as cash flow from operations excluding the impact of adjusting items, which are defined above. The Directors use this measure to assess the performance of the Group as it excludes volatile items not related to the core trading of the Group and includes the Group's management of capital expenditure. A reconciliation between cash flow from operations and adjusted operating cash flow is shown in note 1(b) to the financial statements.

The movement in working capital in 2020 includes £1.0m relating to the deferral of VAT payments under the government's Covid VAT payment deferral scheme, which is planned to be re-paid in 2021, and the receipt of £1.5m relating to the lease incentive on the Wells Street office that was vacated in early 2020. The cash conversion has been adjusted to exclude these one-off items. The cash impact of adjusting items primarily relates to exceptional restructuring costs in both years.

MAP23

In 2019, the Group introduced its Margin Acceleration Plan (MAP22) which targeted an Adjusted EBITDA margin of at least 20% by 2022, excluding the benefit of IFRS 16. Due to the impact of Covid, the Group has now re-assessed its three-year plan and in January 2021 announced MAP23 under which the Group would raise Group Adjusted EBITDA margins to 23% (including the impact of IFRS 16) by 2023, while increasing revenues to £45m. Further details of MAP23 are detailed in the Strategy section on page 6.

Financing and bank covenants

During the first half of 2020, with great uncertainty around trading and cashflows, the Group agreed a temporary alteration in the terms of its revolving credit facility of £25m. Until September 2021, it was agreed that the facility would be limited to £10m but with a waiving of leverage/interest cover covenants. The waiver was subject to a minimum liquidity test of £3m combining the £10m revolving credit facility limit and the Group's £1.7m overdraft facility.

On 16 March 2021, the Group signed a new revolving credit facility with NatWest that replaces the £25m facility signed with NatWest and Lloyds in 2018. The new facility is for up to £10m and a three-year duration with the option of two further one-year periods. The covenants regarding leverage and interest cover are identical to those of the facility it replaces.

Balance sheet

	2020 £m	2019 £m
Goodwill and other intangible assets	46.1	61.2
Property, plant and equipment	3.3	4.3
Deferred taxation	2.2	1.0
Deferred income	(7.0)	(8.7)
Other current assets and liabilities	(4.8)	(4.2)
Non-current assets and liabilities	(0.9)	(1.8)
Net assets before cash	38.9	51.8
Net cash	8.3	9.3
Net assets	47.2	61.1

In 2020, goodwill and other intangibles have fallen by £15.1m primarily due to the impact of terminating operations at the MarketMakers telemarketing business and the related impairment and elimination of £11.0m of goodwill. Property, plant and equipment has fallen by £1.0m primarily due to the disposal of the MarketMakers' right-of-use asset pertaining to its offices in Portsmouth following the closure of that business. Deferred income has fallen by £1.7m primarily due to the closure of the MarketMakers telemarketing business in 2020. Xeim deferred income is flat year on year with strong growth in deferred income for training offset by lower levels of premium content at Fashion Monitor, Influencer Intelligence and Econsultancy. The Lawyer's deferred income levels have fallen slightly due to the impact of event cancellations and deferrals.

Going concern

After due consideration, as required under IAS 1 Presentation of Financial Statements, including consideration of the Group's net current liability position, the Group's forecasts for at least twelve months from the date of this report, and the effectiveness of risk management processes, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in the preparation of the consolidated financial statements for the year ended 31 December 2020. As detailed under the Risk Management section, the Directors have assessed the viability of the Group over a three-year period to March 2024 and the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over that period.

Conclusion

Centaur performed robustly in 2020 despite unprecedented external circumstances. The resilience of our brands, combined with our cost-cutting initiatives, management action to address MarketMakers, and our strong cash balance mean that we are well-set to achieve the targets set out in our MAP23 strategy.

SIMON LONGFIELD
Chief Financial Officer

16 March 2021

Alternative performance measures

MEASURE	DEFINITION
Adjusted EBITDA	Adjusted operating profit before depreciation and impairment of tangible assets and amortisation and impairment of intangible assets other than those acquired through a business combination, after the impact of IFRS 16 to remove property rental charges.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue.
Adjusted effective tax rate	Adjusted tax charge as a percentage of Adjusted profit before tax.
Adjusted EPS	EPS calculated using Adjusted profit for the period.
Adjusting items	Items as set out in the statement of consolidated income and notes 1(b) and 4 of the financial statements including exceptional items, amortisation of acquired intangible assets, profit/(loss) on disposal of assets, share based payment expense, volatile items predominantly relating to investment activities and other separately reported items.
Adjusted operating profit/(loss)	Operating profit/(loss) excluding Adjusting items.
Adjusted profit before tax	Profit before tax excluding Adjusting items.
Cash conversion	Adjusted operating cash flow (excluding any one-off significant cash flows) / Adjusted EBITDA (including discontinued operations).
Exceptional items	Items where the nature of the item, or its magnitude, is material and likely to be non-recurring in nature as shown in note 4.
Free cash flow	Increase/decrease in cash for the year before the impact of debt, acquisitions, disposals, dividends and share repurchases.
Segment profit	Adjusted operating profit of a segment after allocation of central support teams and overheads that are directly related to each segment or business unit.
Underlying revenue	Statutory revenue adjusted to exclude the impact of revenue arising from acquired businesses, disposed businesses that do not meet the definition of discontinued operations per IFRS 5, and closed business lines (‘excluded revenue’).

Risk Management

Risk management approach

The Board has overall responsibility for the effectiveness of the Group's system of risk management and internal controls, and these are regularly monitored by the Audit Committee.

Details of the activities of the Audit Committee in this financial year can be found in the Audit Committee Report on pages 47 to 49.

The Executive Committee, Company Secretary and the Head of Legal are responsible for identifying, managing and monitoring material and emerging risks in each area of the business and for regularly reviewing and updating the risk register, as well as reporting to the Audit Committee in relation to risks, mitigations and controls. As the Group operates principally from one office and with relatively flat management reporting lines, members of the Executive Committee are closely involved in day-to-day matters and are able to identify areas of increasing risk quickly and respond accordingly. The responsibility for each risk identified is assigned to a member of the Executive Committee. The Audit Committee considers risk management and controls regularly and the Board formally considers risks to the Group's strategy and plans as well as the risk management process as part of its strategic review.

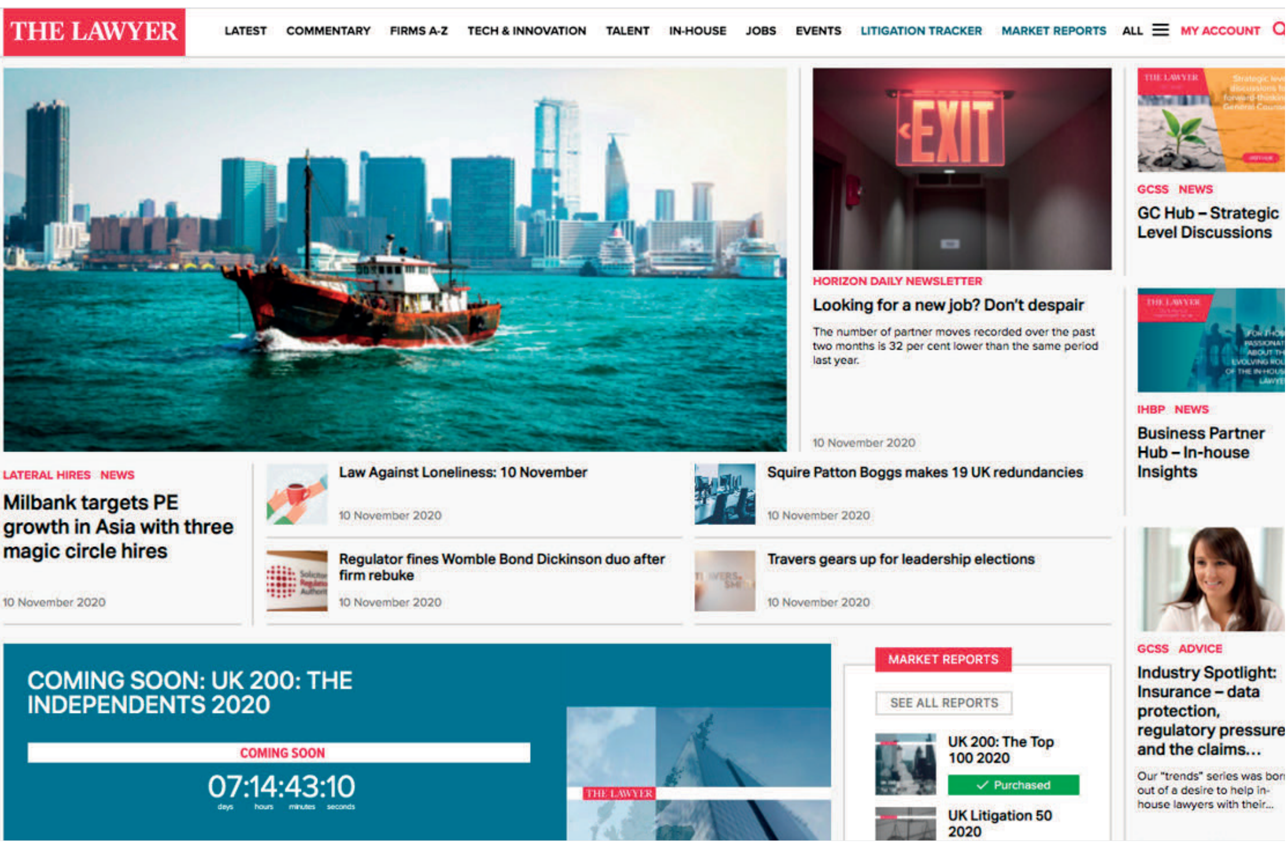
The risk register is the core element of the Group's risk management process. The register is maintained by the Company Secretary with input from the Executive Committee and the Head of Legal. The Executive Committee initially identifies the material risks and emerging risks facing the Group and then collectively assesses the severity of each risk (by ranking both the likelihood of its occurrence and its potential impact on the business) and the related mitigating controls.

As part of its risk management processes, the Board considers both strategic and operational risks, as well as its risk appetite in terms of the tolerance level it is willing to accept in relation to each principal risk, which is recorded in the Company's risk register. This approach recognises that risk cannot always be eliminated at an acceptable cost and that there are some risks which the Board will, after due and careful consideration, choose to accept. The Group's risk register, its method of preparation and the operation of the key controls in the Group's system of internal control are regularly reviewed and overseen by the Audit Committee with reference to the Group's strategic aims and its operating environment. The register is also reviewed and considered by the Board.

As part of the ongoing enhancement of the Group's risk monitoring activities, we reviewed and updated the procedures by which we evaluate principal risks and uncertainties during the year.

Principal risks

The Group's risk register currently includes operational and strategic risks. The principal risks faced by the Group in 2020, taken from the register, together with the potential effects and mitigating factors, are set out below. The Directors confirm that they have undertaken a robust assessment of the principal and emerging risks facing the Group. Financial risks are shown in note 27 to the financial statements.



RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
1	Sensitivity to UK/ sector economic conditions	The world economy has been severely impacted by the pandemic and UK GDP fell 18.3% in April 2020, recovering to a 9.9% fall for the whole of 2020. This, combined with the end of the transition deal with the EU at the end of 2020, has significantly increased the Group's sensitivity to UK/ sector volatility and economic conditions. The impact was acute on some of Centaur's target market segments e.g. fashion and retail and, entertainment. The likelihood of ongoing volatility will be high in 2021 and there are varying views as to the timing and extent of a recovery.	Most of the risk impacts Centaur indirectly from our customers. We have demonstrated we can mitigate the risk by increased digitalisation, running virtual events and offering more eLearning. Part of the strategic plan for Centaur is to increase international organic growth in the mid to longer term, focusing on the US and Asia in particular, in order to mitigate this risk. We are also increasing our focus on targeting larger scale multinational businesses which have a more diversified risk profile. Many of the Group's products are market-leading in their respective sectors and are an integral part of our customers' operational processes, which mitigates the risk of reduced demand for our products. The Group regularly reviews the political and economic conditions and forecasts for the UK, including specific risks such as Covid, and the main sectors in which it operates to assess whether changes to its product offerings or pricing structures are necessary.	**The Board considers this risk to have increased since the prior year.**
2	Failure to deliver a high growth performance culture. The risk that Centaur is unable to attract, develop and retain an appropriately skilled, diverse and responsible workforce and leadership team, and maintain a healthy culture which encourages and supports ethical high-performance behaviours and decision-making. Difficulties in recruiting and retaining staff could lead to loss of key senior staff.	Centaur's success depends on growing the business and completing the MAP23 strategy. In order to do this, it depends in large part on its ability to recruit, motivate and retain highly experienced and qualified employees in the face of often intense competition from other companies, especially in London. Investment in training, development and pay awards needs to be compelling but will be challenging in the current economic and operating climate. Implementing a diverse and inclusive working environment that allows for agile and remote delivery is necessary to keep the 'millennial' workforce engaged and has enabled us to cope well with the transition to homeworking. High staff churn (a challenge for many companies in our sector) has not been an issue during 2020 but we will need to keep our policies and practices under review as and when a return to the office becomes a reality. Developing the MAP23 business strategy and changes required in skill set and culture are challenging and costly.	There has been a significant focus on employee communication this year. This has included CEO Breakfasts, Weekly Updates, Local Town Halls, monthly all Company Q&A sessions, staff welfare calls. We regularly review measures aimed at improving our ability to recruit and retain employees and to track employee engagement. Weekly 'check-ins' via Engage ensure we have a 'mood' of the business and an understanding of any key risks or challenges as they arise. Our employee engagement team, DICE, focus on Diversity, Inclusion, Culture and Engagement along with other key issues and opportunities that can challenge the business played an important role this year in driving forward initiatives relating to diversity, sending regular communications and arranging virtual social functions and events. This is sponsored by the CEO and a Non-Executive Director. A review takes place annually to ensure flight risks and training needs are identified which become the focus for pay, reward and development areas. All London based staff continue to be paid at or above the London Living Wage. Our HR processes include exit interviews for all leavers to resolve areas of concern.	**The Board considers this risk to be broadly the same as for the prior year.**

Risk Management
CONTINUED

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
3	Fraudulent or accidental breach of our security, or ineffective operation of IT and data management systems leads to loss, theft or misuse of personal data or confidential information or other breach of data protection requirements.	A serious occurrence of a loss, theft or misuse of personal data or sensitive or confidential information could result in reputational damage, a breach of data protection requirements or direct financial impact. See risk 4: GDPR, PECR below. Centaur collects and processes personal data and confidential information from some of its customers, users and other third parties. Centaur is at risk from a serious occurrence of a loss, theft or misuse of personal data or confidential information on our software/hardware due to the actions of a Centaur employee, partner or third party.	Appropriate IT security is undertaken for all key processes to keep the IT environment safe. Websites are hosted by specialist third-party providers who provide warranties relating to security standards. All of our websites have been migrated onto a new and more secure platform which is cloud hosted. External access to data is protected and staff are instructed to password protect or encrypt where appropriate. Following the simplification of the Group in 2019, the data team has simplified the warehouse structure with stringent data retention processes. The Group Head of Data ensures that rigorous controls are in place so that only the data team can download warehouse data. Cross-system data integrations are all performed under secure transfer protocols. Centaur has a business continuity plan which includes its IT systems and there is daily, overnight back-up of data, stored off-site. Please see risk 4 below for specifics relating to the GDPR compliance/data.	**The Board considers this risk to be broadly the same as the prior year.** →

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
4	Regulatory; GDPR, PECR and other similar legislation involve strict requirements regarding how Centaur handles personal data, including that of customers and the risk of a fine from the ICO, third party claims (e.g. from customers) as well as reputational damage if we do not comply.	The UK General Data Protection Regulation ('GDPR'), the Data Protection Act 2018 ('DPA') and the Privacy and Electronic Communications Regulations ('PECR') involve strict requirements for Centaur regarding its handling of personal data. Centaur's obligations under the GDPR are complex meaning this area requires ongoing focus. PECR includes specific obligations for businesses like Centaur regarding how they conduct electronic marketing calls, emails, texts, and on their use of cookies and similar technologies, among other things. In the event of a serious breach of the data legislation, Centaur could be subject to a significant fine from the regulator (the ICO) and claims from third parties including customers as well as reputational damage. The maximum fines for breaches are £17.5 million (GDPR) and £500,000 (PECR) respectively and directors can have liability for serious breaches of PECR's marketing rules. Other countries (e.g. USA) and jurisdictions worldwide are also reviewing and updating their own laws relating to data and privacy. Where Centaur is required to comply with the laws in non-UK jurisdictions there is a risk that Centaur may not be compliant with all such laws and could therefore be subject to regulatory action and fines from the relevant regulators and data subjects.	Centaur has taken a wide range of measures aimed at complying with the key aspects of the GDPR, DPA and PECR. In March 2020, a Data Protection Compliance Committee was formed (overseen by the CFO) in order to monitor Centaur's ongoing compliance with these data protection laws. ICO guidance relating to the use of cookies published in 2019, and further changes to the laws relating to data privacy, ad tech and electronic marketing expected in the near future, will further increase the regulatory burden for businesses like Centaur, and the requirements in this regard will need to be kept under review. Staff are required to undertake online data protection awareness and data security awareness training annually. Centaur's in-house lawyer keeps abreast of material developments in data protection law and regulation and advice from external specialist law firms is sought where appropriate. Given the increasingly global nature of our business and our customers Centaur's approach to complying with data protection laws in other jurisdictions should be kept under review. In 2020, Centaur implemented various measures to mitigate against risk in respect of the CCPA, a new Californian privacy law, and also appointed an 'EU representative' under the GDPR ahead of Brexit.	**The Board considers this risk to be broadly the same as the prior year.**

Risk Management

CONTINUED

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
5	Serious systems failure (affecting core systems and multiple products or functions) or breach of IT network security (as a result of a deliberate cyber-attack or unintentional event).	Centaur relies on its IT network to conduct its operations. The IT network is at risk of a serious systems failure or breach of its security controls. This could result from deliberate cyber-attacks or unintentional events and may include third parties gaining unauthorised access to Centaur's IT network and systems resulting in misappropriation of its financial assets, proprietary or sensitive information, corruption of data, or operational disruption, such as unavailability of our websites and our digital products to users or unavailability of support platforms. If Centaur suffers a serious cyber-attack, whether as a result of a third party or insider, any operational disruption may directly affect our revenues or collection activities. Centaur could incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information, and repair of any damage caused to Centaur's IT network infrastructure and systems). Centaur could also suffer reputational damage and loss of investor confidence resulting from any operational disruption.	Centaur has invested significantly in its IT systems and where services are outsourced to suppliers, contingency planning is carried out to mitigate risk of supplier failure. Centaur continues to develop its CRM, ecommerce and finance systems and following the divestments in 2019 has removed a number of legacy systems reducing the Group's cyber risk. Our IT and information security-related policies were upgraded in 2018 to further ensure our staff understand their responsibilities in relation to IT and information security and are accountable for their compliance with our policies. We review these policies at least once annually to ensure that they remain fit for purpose. Centaur has also implemented a number of security improvements to better protect and monitor our network, systems and data. All employees are required to undertake online training on data security awareness and data protection awareness annually. We have taken additional insurance cover in respect of a serious failure of IT network security controls.	**The Board considers this risk to be broadly the same as the prior year.**

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the viability of the Group over a three-year period from signing of this Annual Report to March 2024, taking account of the Group's current position, the Group's strategy, the Board's risk appetite and, as documented above, the principal risks facing the Group and how these are managed. Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to March 2024.

The Board has determined that the three-year period to March 2024 is an appropriate period over which to provide its viability statement because the Board's financial planning horizon covers a three-year period. In making their assessment, the Directors have taken account of the Group's new £10m three-year revolving credit facility (which allows extensions to 2026 on similar terms), cash flows, dividend cover and other key financial ratios over the period.

The covenants of the facility are a maximum interest cover ratio of 4 and net leverage shall not exceed the last twelve months' Adjusted EBITDA, excluding the impact of IFRS 16, by more than 2.5 times. In none of the scenarios run for the viability statement is the Group expected to breach any of these covenants.

The base scenario assumes that the Group's MAP23 targets are met. These targets were built, bottom-up during 2020 once the impact of Covid had become clear. The Group's events and recruitment advertising revenues have been hardest hit by the pandemic and this impact has been factored into MAP23, including the conservative assumption that no revenue will be realised from physical events in 2022. Revenue growth in MAP23 is therefore focused on continued growth in the Mini MBA, albeit at a lower growth rate than its historical trend, and improvements in premium content revenue from the rest of the Flagship 4 brands.

The metrics in the base case are subject to stress testing which involves sensitising the key assumptions underlying the forecasts both individually and in unison. The assumption sensitised included a scenario under which the Group's forecast Adjusted EBITDA dropped by approximately 30%. In this scenario, the impact is more severe with new virtual event formats being less successful than the base case and Mini MBA growth significantly below historical trends. Premium content billings growth would be weaker in this scenario and working capital generation is also assumed to be less strong.

Under no sensitised circumstances would the Group be required to rely on the revolving credit facility to fund its daily operations. Sensitising the model for changes in the assumptions and risks affirmed that the Group would remain viable over the three-year period to March 2024.

Going concern basis of accounting

In accordance with provision 30 of the UK Corporate Governance Code 2018, the Directors' statement as to whether they consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements and their identification of any material uncertainties, including the principal risks outlined above, to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements and for the foreseeable future, being the period as discussed in the viability statement above, can be found on page 42.

Section 172 Statement UK Companies Act 2006

Centaur is a purpose-led business and our success is dependent on the strength of our stakeholder relationships. The Board prioritises frequent and open engagement with all our stakeholders and their views, values and suggestions are at the heart of our decision making process. In 2020, a year of unprecedented disruption that affected all our stakeholders, this communication was a key consideration in making our strategic choices. The table below outlines who our key stakeholders are and how we interact with them when making key strategic decisions, taking into consideration the factors set out in Section 172(1)(a) to (f) of the Companies Act 2006. This should be read in conjunction with our ESG report on pages 34 to 37.

STAKEHOLDER GROUP	HOW WE ENGAGE?	WHY WE ENGAGE?	WHAT MATTERS TO THIS GROUP?
Investors	Formal documented investor roadshow meetings, post results presentations and market updates, as well as other ad hoc investor meetings. Paid-for research, including video interviews, available to all investors via our website and distributed via press releases and email. Annual General Meeting. Consultation prior, during and post strategic decision making or execution.	Our investors are integral to monitoring and safeguarding the governance of the Group and increasing shareholder value is one of our major focus areas. We work to ensure that our investors and their representatives have a good understanding of, and are supportive of, our strategy, business model, opportunity, culture and approach to ESG.	Strategy and business model. Long term share value growth. Sustainable dividend policy. Financial stability and culture. An engaged and proactive Board who take investors views into account in decision-making. ESG.
Customers	Every day we interact with a wide variety of existing and potential customers. This is with a view to understanding customer requirements/feedback, to manage their expectations and to generate long term profitable revenue.	Our purpose is to advise, inform and connect our customers to help them achieve their goals. To ensure our customers are satisfied with our offering and continue to provide repeatable and recurring revenues, it is vital that we obtain feedback to understand their requirements and adapt our offering to their needs.	The customer experience and overall customer satisfaction. A provider that listens and adapts products to customers' needs. Innovative products which deliver enhanced value to customers.

DICE Team 2020

Section 172 Statement UK Companies Act 2006

CONTINUED

STAKEHOLDER GROUP	HOW WE ENGAGE?	WHY WE ENGAGE?	WHAT MATTERS TO THIS GROUP?
Employees	DICE (Diversity, Inclusion, Culture and Engagement) was established in 2019 so that all employees have a voice and their views are considered. (More detail of the work undertaken by DICE in 2020 is provided in the ESG report.) Daily Covid Committee calls during 2020. This reduced to three times a week in Q4. Regular breakfast meetings where the CEO met with every member of staff during 2020 to understand what was going well, what could be done better and to ascertain ideas for business improvement. Bi-monthly Executive Committee meetings, monthly senior leadership meetings and regular team meetings held virtually during 2020. Monthly Senior Leaders forums to formulate operational business improvement initiatives. Xeim and The Lawyer hold monthly Town Halls to which all Centaur employees are invited. Since the move to working from home in March 2020 we have held monthly All Business Q&A sessions virtually, with all employees able to participate and ask questions of senior leaders. A weekly online sense check questionnaire 'Engage' which measures motivation and levels of engagement. This is anonymised to encourage employees to be honest about issues. Line managers have regular access to quarterly Engage scores to facilitate their action plans and provide support to team members. There have been several ad hoc surveys in 2020 related to working from home, equipment and working environment, and employment surveys sent out by DICE. Annual appraisals and increased focus on ensuring that all employees had objectives set in 2020. All employees received a bonus as a thank you for their considerable commitment and efforts during 2020.	Our diverse workforce of 288 employees (as 31 December 2020) is our most important asset and our success depends on their commitment and job fulfilment. It is vital to ensure that we take their needs into account in our strategic decision making. To ensure that communication is clear and understood throughout the Company so all employees understand the purpose and objectives of Centaur. The Company is working hard to drive its status as a destination employer by creating the right environment and culture.	Opportunities for career development and progression. Agile working patterns. An understanding management team who listen to employees and are considerate of their views and values. Opportunity to share ideas and make a difference. Diversity and inclusion. Centaur's ESG commitments.
Strategic suppliers	Meetings with suppliers as appropriate, together with negotiations on the terms and conditions of supply.	Strategic suppliers underpin several key business operations. Strategic decisions consider the impact on these suppliers, in terms of capability, scale, value for money and risk.	To ensure that Centaur can comply with agreed terms and conditions. The values of our suppliers and their high standards of business conduct. Innovation and product development.

STAKEHOLDER GROUP	HOW WE ENGAGE?	WHY WE ENGAGE?	WHAT MATTERS TO THIS GROUP?
Community	The Company supports local communities and charitable organisations through direct fundraising and donations. During 2020 this was difficult due to Covid, but employees made generous donations to The Waterloo Foodbank matched by the Company. In 2021 the Company will support The Trussell Trust.	To be a good corporate citizen and give back to the communities and charities that are important to our employees and to the Company.	Inclusion of employee sentiment and what is important to them.
Government and regulators	The Board's intention is to behave responsibly and comply with all applicable laws and regulations to ensure that the business operates with integrity, transparency and accountability, and acts with high standards and good governance.	In doing so, we believe we will achieve our long-term business strategy and develop our reputation further in our sector.	To ensure that the business operates in a legal and transparent manner, in compliance with the spirit of all applicable laws and regulations.

STAKEHOLDER	COVID RESPONSE	CLOSURE OF MARKETMAKERS
Overview	The business implications of Covid were fast moving and, at times, extremely uncertain. The Board discussed the Group's response and the impact on stakeholders. Our governance structure provided a stable foundation from which we could respond to the changing situation, led by our ExCo.	The impact of Covid was acutely felt in the telemarketing operation of MarketMakers with 3 of its top 5 customers ceasing to trade with it and revenues rapidly grinding to a halt in April 2020. We had to respond quickly and many of the MarketMakers' staff were put on furlough as the Board considered future options. In assessing the closure of MarketMakers, the Board took into consideration the impact for each of our stakeholder groups.
Investors	Continuing strong financial governance; Focus on future financial security of Centaur; Resumption of dividend as soon as practically possible.	A key driver of the Board's decision to close the business was to protect the future financial prospects of Centaur and the continuation of employment of Centaur's remaining c.300 employees, thus ensuring that the business could create shareholder value by delivering on MAP23.
Customers	Moved face to face training on-line; Created new Covid and working from home related content; Launched and trialled new titles and formats; Extended credit terms if needed.	While many customers ceased to trade with MarketMakers, the Board understood that there were other customers who needed continuity of service. As part of the closure process, supply contracts were established with two competitors who absorbed these customers' needs.
Employees	Provided equipment to safely work from home; Accelerated online training; Increased staff communications; Mental health support; Social activities.	The Board was concerned that c.180 employees would lose their jobs. However, it was clear that in Portsmouth, there was a strong demand for this type of employee and the Board is pleased that almost all of them have subsequently found gainful employment. During Q2 2020, there was considerable uncertainty about if and when customers would come back. The Board considered extending the use of CJRS, however, it decided that the responsible action was to close the business rather than rely on its further use.
Strategic suppliers	Ensured that we paid all suppliers on time.	Many of MarketMakers' suppliers had been in place for over 5 years and the Board ensured that these suppliers were given appropriate notice and paid in full for goods and services provided.
Community	Charity fund raising; Donations to local foodbanks.	The strong local demand for the redundant employees was from businesses which were growing in the Portsmouth area. This allowed the Board to be satisfied that the redundancies would not adversely impact the local community.
Government and regulators	The Company used the government's Coronavirus Job Retention Scheme (CJRS) with the intention of preserving c. 130 jobs, mostly at MarketMakers, from the inception of CJRS to September 2020. In doing so, it assessed the impact of Covid on the business and the necessity to place people on furlough with the intention of protecting their jobs and ensuring the survival of the Group.	As covered in the CEO review, the decision to close MarketMakers resulted in the loss of 180 jobs. The Board carefully considered whether it was appropriate to repay some or all of the CJRS receipts. It concluded that the CJRS scheme had been used properly with the intention of preserving jobs in the Group and therefore it was not considered necessary to repay this amount.

Environmental, Social and Governance

Environmental

Environment and climate change – our impact on the environment

Climate change remains one of the greatest challenges of our times and every company, irrespective of their size or impact, is required to play its part in minimising its environmental footprint. The Group actively seeks to minimise adverse environmental impacts and to promote good environmental practices wherever possible.

During 2020, we continued to reduce our carbon footprint aided by the move from our previous larger London office into a WeWork office at the end of 2019.Environmental impact was an important element for the Board in our office choice and our WeWork office has:

- Renewable electricity – sourcing 100% renewable electricity by 2025 and offsetting Scope 1 emissions to become operationally carbon neutral the same year;
- Sustainable, efficient operations – reducing energy and water use by 20% by 2025 (from a 2019 baseline) and reducing annual waste to 10kg per member per year;
- Zero plastics – Eliminating single-use disposable plastics from daily operations globally through the WeWork Zero Plastics Plan launched in 2018;
- Sustainable finishes – using sustainable, healthy finishes standards, including CVOC content and emissions limits, eliminating high risk toxic ingredients, and sourcing recycled fibres for textiles and cushions, and FSC certified wood where possible; and
- Ethical supply chains – ensuring supply chain partners meet WeWork standards across ethics, safe working environments, labour and human rights, and environment, as established by their Vendor Code of Conduct published in 2020.

WeWork also promotes wellbeing and social impact through regular community led events many of which have been held virtually in 2020. (source: Sustainability at WeWork 2021 Member and Enterprise Client overview).

Our other office located in New York is small and is also a WeWork office. In addition, the Group terminated its lease of office space in Portsmouth during the second half of the year.

The move to homeworking as a result of the pandemic helped us decrease our environmental impact further with a fall in work-related travel and printing and with a greater proportion of our services delivered virtually. A mix of working from the office and working from home will be considered by the Company as an ongoing option for employees once we are through the pandemic.

Outside our own practices, we are also cognisant of the indirect environmental impact of our supply chain and aim to ensure that all our major suppliers are environmentally responsible. For example, our main paper and print supplier holds the ISO 14001 (environmental management) accreditation and is certified by the Forest Stewardship Council and Programme for the Endorsement of Forestry Certification.

Similarly, as we expand in our digital capabilities and products, we continue to significantly reduce our reliance on print advertising and as a result reduce the use of consumable items such as paper and plastic.

Emissions

We continue to measure our carbon footprint by monitoring our energy usage and we are pleased to confirm that we are compliant with the EU Energy Efficiency Directive 'Energy Saving Opportunity Scheme' ('ESOS').

The greenhouse gas ('GHG') emissions from our operations during the year are set out below:

Emissions from:	2020 Tonnes CO_2	2019 Tonnes CO_2
Scope 1 (gas, fuel and car mileage)	19	105
Scope 2 (electricity and steam)	66	384
Total GHG emissions	85	489
Average number of employees	416	661
Emissions per employee	0.2	0.7

Social

Our people - talent development

Our people are our most important asset and are crucial to our success. Having the right people with the right skills at all levels in our organisation is critical to building a quality, sustainable business and delivering our strategy. Our culture is characterised as customer focused, commercial, diverse, grounded and innovative with a 'Can do, Will do, Now!' attitude. Accordingly, career development is a priority.

Working from home

Our people - training

During the year there have been over 300 training sessions for employees and a further 11 employees worked towards formal leadership qualifications funded by the apprenticeship levy. The Company also identified emergency successors for all key roles and continues to look to identify in-house talent and fill gaps in skills and experience to ensure rising stars are developed and their potential interest.

As well as developing the skills of our employees, the Board recognises the importance of instilling Centaur's values in the culture of the Company and the necessity for high standards of business conduct across the breadth of the Group; it is integral to delivering on our strategy.

These values and standards are cascaded to the business from the Executive Directors, through the Executive Committee and the senior leadership team, to employees. This is done through weekly staff updates, Q&A sessions, business unit Town Hall meetings, and other formal and informal methods of communication.

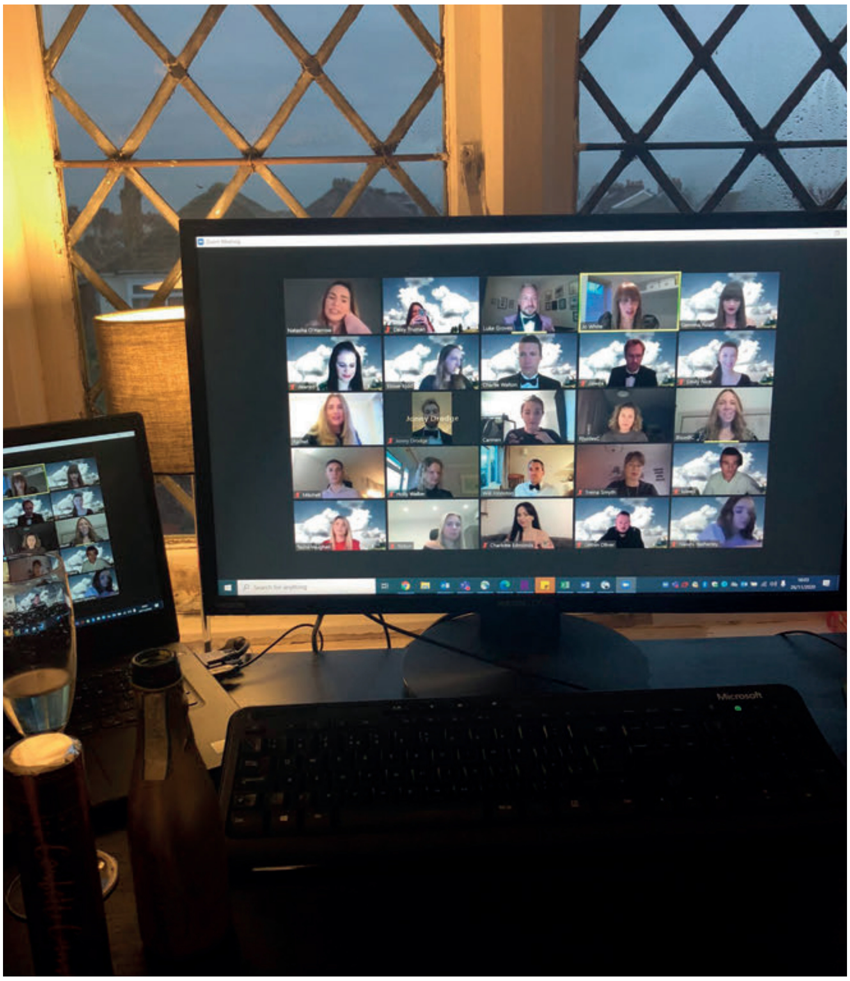
Employee engagement - DICE in action (Diversity, Inclusion, Culture and Engagement)

DICE was formed during 2019 with the purpose of helping the business build a more diverse, inclusive and engaged workforce by driving positive change. DICE comprises ten employees from across the Group and is led by one of our senior leadership team. DICE reports to the CEO, and Carol Hosey is the Non-Executive Director sponsor of DICE. Her role is to ensure that employee sentiment is clearly communicated to the Board and that our gender, diversity and environmental ambitions are realised with actionable plans.

During 2020, DICE cemented its position as a critical element in Centaur's continued success, playing an integral role in supporting engagement with our workforce during a period of significant disruption brought about by the pandemic. DICE made sure that everyone at Centaur felt connected and helped to build our community and culture. During 2020 DICE initiatives took centre-stage and included the following:

Diversity & Inclusivity in 2020

- **Antiracism Pledge** – published a six-point commitment to help drive anti-racism in the industry and improve black and minority ethnic representation;
- **Socio Economic Diversity** – collaborated with The Social Mobility Foundation to invest in a series of paid internships that will offer a broad range of journalism experience to individuals from low income backgrounds;
- **LGBTQ+ Commitment** – published a six-point commitment to support the LGBTQ+ community at Centaur;
- **Gender Diversity** – hosted a series of working groups discussing issues surrounding gender equality, including flexible working options and training and progression plans;
- **Mentorship Scheme** – launched a mentoring scheme focused on helping employees from under-represented groups to reach their full potential;
- **Diversity and Inclusivity Training** – unconscious bias training rolled-out for all Centaur employees;
- **Diversity at Grassroots** – partnered with Brixton Finishing School in order to source new untapped diverse talent from underrepresented groups which will be actioned in 2021; and
- **Community Group Forum** – set up The Community Group forum which acts as a space of openness and inclusivity where employees can speak freely about issues regarding race.



Environmental, Social and Governance

CONTINUED

Culture and Engagement in 2020

- **Weekly Newsletter** – Centaur Lockdown Roundup included recommendations on TV, film, books and recipes as well as online fitness and wellbeing programmes to support employees;
- **Feedback Forums** – 1 to 1 and group feedback sessions organised to better understand employee sentiment and achieve greater employee satisfaction;
- **Virtual Coffee Mornings** – set up to help employees maintain social relationships while working remotely;
- **The Virtual Pub Quiz** – a hit with employees in 2020 and will be continued in 2021;
- **Film and Book Club** – virtual film and book club launched;
- **Foodbank Donation** – organised a food delivery for our local community food bank (Waterloo Foodbank) following generous donations from employees; and
- **Virtual Events** – summer escape room and virtual Christmas celebration events.

All DICE's initiatives were very well received with qualitative employee feedback conducted across the breadth of the business.

Environmental, social and governance (ESG) criteria are of high importance to younger talent when making their career choices and are also an increasingly significant element for investors when making their investment decisions: DICE plans to be the key driver in Centaur's environmental and social policy and has devised 11 key workstreams to support the business in driving continued social and environmental change in 2021. We will report on this in our 2021 Annual Report.

The Group has a whistleblowing policy in place enabling employees to report any concerns about improper practices, including relating to its environmental and social responsibility practices.

Other initiatives

During a year of unprecedented disruption brought about by the pandemic, the Board implemented new initiatives to support our colleagues. These included:

- **All business Q&A sessions** - From March 2020, these monthly sessions took place via Teams and gave all employees the opportunity to hear updates from senior leaders and ask questions on any matters of concern.
- **CEO "Kaizen" breakfasts** - During 2020, the CEO met with every employee from the business to hear about employee experiences at Centaur, learn what is working and what could be done better, and gather ideas and insights on ways to improve the business. Up to six employees attended each breakfast giving everyone a chance to speak while maintaining an informal tone. The insights collected from these breakfast meetings were used to set up cross-company projects to address some of the matters raised. Kaizen is a business philosophy regarding the processes that continuously improve operations and involve all employees.

Support during Covid

We provided:

- access to Unum 'Lifeworks', an employee assistance programme providing counselling, support with Covid, managing finances, assistance with legal matters, and mental health support services as well as giving access to virtual GP appointments free of charge.
- five mental health first-aiders were trained who employees can confidentially engage with regarding any issues they may have. This was supplemented with a variety of webinars and initiatives to support those coping with change and uncertainty, building resilience and working from home effectively.
- access to NABS, which is a support organisation for the advertising and media industry, was also made available to employees.

Having seen, first-hand, the benefits of these initiatives, as well as listening to employee feedback, the Board will be maintaining these practices going forward.

Health and safety

We are committed to the safety of our staff and, while the nature of the business and our WeWork serviced offices make risk of work-based accidents relatively low, the Group takes its responsibilities for the health and safety of its employees seriously. We have a detailed health and safety policy outlining the responsibilities of our staff to ensure workplace safety and our Health and Safety Committee, which is responsible for overseeing the application of this Policy, meets every six months and reports directly to the Board.

In normal circumstances, our Office Manager is responsible for maintaining a safe environment for employees at our WeWork offices and an accident book is available to all staff in reception. We also periodically carry out internal health and safety reviews, taking follow up action to maintain standards where necessary, and undertake staff training in relation to fire safety. To minimise risk to the health and safety of our employees in the event of a major disaster or emergency, our business continuity plan is regularly revised and tested.

While most of 2020 was spent working from home due to Covid, our Health and Safety Committee continued to operate and we

sent out surveys to employees to ensure they had the right equipment to work safely and comfortably from their homes. We supplied suitable equipment to allow employees to work from home in a safe and healthy way, including furniture and IT equipment.

Diversity

Centaur strongly encourages diversity across the Group and considers it an integral element of ensuring our success as a business. We strongly believe that a workforce with diverse experiences and diverse ideas makes for a better business and we are committed to recruiting and promoting the most talented people from the widest pool. To do this, we offer apprentices, internships, and work experience opportunities to young people from all backgrounds and provide equal opportunities for all current and prospective employees.

To support this aim, the Group has an Inclusion, Diversity and Equality Policy which covers recruitment and selection, promotion, training and development, and standard contract terms for all staff. In recent months DICE has been instrumental in developing our Antiracism & Inclusivity and LGBTQ+ pledges.

At 31 December 2020, two of our six (33%) Board members are female and one out of our five (20%) Executive Committee members is female. The percentages fluctuated during the year due to changes in the Board's membership.

As at 31 December 2020, 58% of our employees are female employees and 42% are male. We proudly support flexible working opportunities, and over 10% of staff are employed on a part-time basis.

Gender pay

We carry out an annual analysis on Gender Pay and will be submitting and publishing the result for 2020 at the beginning of April 2021. The report can be found on our website www.centaurmedia.com.

Anti-slavery and human trafficking policy

We implemented the provisions of the UK Modern Slavery Act 2015 in 2016 and adopted an anti-slavery and human trafficking policy. Our Slavery and Human Trafficking Statement is published on our website in March each year.

Community

The Group supports local communities and charitable organisations through direct fundraising, donation and pro-bono work. In 2020, due to the pandemic the Group did not actively support a specific charity, but employees made generous donations to The Waterloo Foodbank and this was supplemented by a donation of £2,000 by Centaur after the end of the financial year. In 2021 the Group will support The Trussell Trust, an organisation that aids a nationwide network of food banks to provide emergency food and support to people locked in poverty. DICE will be organising a series of virtual fundraising events to raise money to support this worthy cause.

In 2019, £75,125 was donated to The Alzheimer's Society. These donations comprised employee contributions from a variety of initiatives including bake sales and sporting events, a Group contribution and third-party contributions raised through our events.

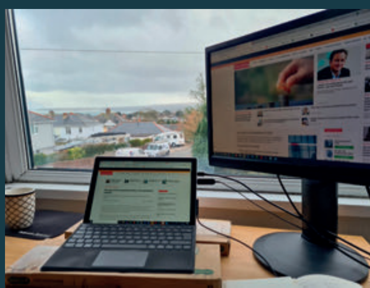
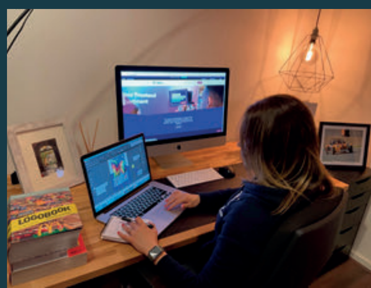
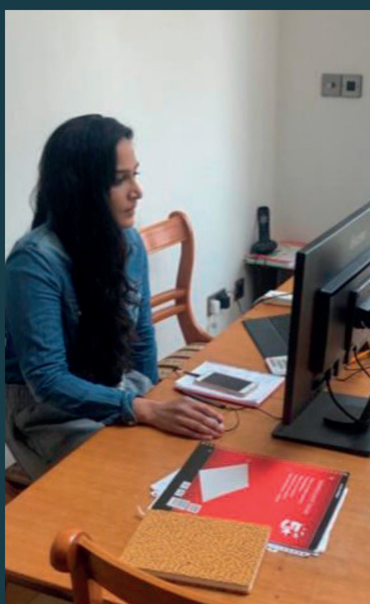
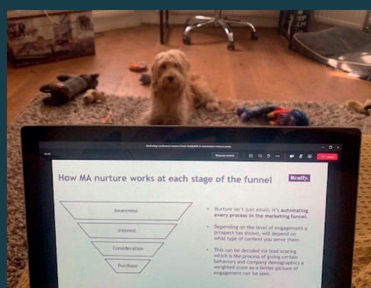
As and when the pandemic situation permits, the Group will offer each employee a paid day off to spend volunteering for a not-for-profit cause or charity of their choice We also operate a Give-As-You-Earn scheme through the payroll and offer employees the option to undertake Volunteer Days.

Governance

Details on Governance are set out in the Corporate Governance Report starting on page 43.

The Strategic Report was approved by the Board of Directors and signed by order of the Board.

HELEN SILVER
Company Secretary
16 March 2021

Board of Directors

COLIN JONES
Chair

Colin joined Centaur in September 2018 and became Chair from June 2019. Until June 2018, Colin was Finance Director of Euromoney Institutional Investor PLC (Euromoney), where he worked in leadership roles in the UK and US for 22 years. He is also an independent non-executive director, and audit committee chair, at M&C Saatchi Plc, and a non-executive director and trustee of City Lit, London's leading adult education college. During his time at Euromoney, Colin was instrumental in its transformation from its traditional media roots to a global, B2B digital information services group. He also has extensive M&A expertise through Euromoney's many successful transactions. Prior to joining Euromoney, Colin was a Director at Price Waterhouse Europe, where he qualified as a Chartered Accountant.

Member of the Remuneration and Nomination Committees. (Chair of Remuneration Committee until 5 February 2020.)

SWAGATAM MUKERJI
Chief Executive

Swag joined Centaur in July 2016 and has previously held senior international general management and commercial financial positions with several blue chip FMCG companies, including United Biscuits plc, Guinness plc and Virgin, where he operated as a value creator, trouble-shooter and change agent. As Group Finance Director of Biocompatibles International plc, he co-led the commercialisation and growth of the company with the CEO, increasing the share price fourfold in a falling market. Since then, he has been a C-suite director of three private equity backed businesses in a variety of sectors with the common themes of strategy refresh and shareholder value growth. He has also led a substantial number of M&A transactions and multi-lender refinancings. Swag qualified as a Chartered Accountant at PricewaterhouseCoopers LLP and is a Warwick MBA.

SIMON LONGFIELD
Chief Financial Officer

Simon joined Centaur in November 2019. He spent the previous 10 years as CFO of BMI Research, a leading provider of macroeconomic, industry and financial market analysis, which was acquired by Fitch Group in 2014. During his time at BMI Research revenues more than doubled as the company expanded internationally with Simon's support. Prior to this, Simon was CFO of Newfound, an AIM-listed property and leisure group. Simon began his career at PricewaterhouseCoopers LLP where he qualified as a Chartered Accountant and worked in London and Australia.

WILLIAM ECCLESHARE
Senior Independent Director

William joined Centaur in July 2016. William is Chairman and CEO of Clear Channel Outdoor (NYSE). He served as a non-executive director of Hays plc from 2004-2014, has been a board member of the Donmar Warehouse Theatre since 2013 and is an independent non-executive director of Britvic plc. William was a Partner and Leader of European Branding Practice at McKinsey & Co. He has previously served in international leadership roles at major advertising agencies, including as European Chairman and CEO of BBDO (Omnicom); European Chairman of Young and Rubicam (WPP Group); Chairman and CEO of Ammirati Puris Lintas Northern Europe (Interpublic Group); Global Strategic Planning Director of J. Walter Thompson Worldwide (WPP Group); and CEO of PPGH/JWT Amsterdam.

Member of the Remuneration and Nomination Committees.

CAROL HOSEY
Non-Executive Director

Carol joined Centaur on 5 February 2020. Carol has extensive remuneration experience at executive and board level and has spent over 20 years in senior HR roles, including positions at Mace, the international consultancy and construction group, Mitie Group plc, Nationwide Building Society and Lloyds Banking Group.

Chair of the Remuneration Committee and member of the Audit and Nomination Committees. She is also the Non-Executive Director sponsor of Centaur's workforce advisory panel known as DICE.

LESLIE-ANN REED
Non-Executive Director

Leslie-Ann joined Centaur on 1 March 2020 and became Chair of Centaur's Audit Committee when Robert Boyle retired from the Board on 31 March 2020. Leslie-Ann is an experienced non-executive director and chairs the audit committees at Learning Technologies Group plc and Induction Healthcare Group PLC. She is also a non-executive director of Bloomsbury Publishing Plc. Leslie-Ann is a chartered accountant and her executive roles have included CFO of the B2B publisher Metal Bulletin plc and the online auctioneer Go Industry plc.

Chair of the Audit Committee and member of the Nomination and Remuneration Committees.

Rebecca Miskin and Robert Boyle retired from the Board and Committees on 31 March 2020.

Executive Committee

JACQUIE MACKENZIE
Group Head of HR

Jacquie is the Group Head of HR and joined the Executive Committee in January 2020. Prior to joining Centaur in 2015, Jacquie worked for Lloyds Banking Group, where she undertook a number of senior HR roles. She also spent five years working for Lloyd's Retail Banking Division in Customer Experience and as Head of Engagement in the London 2012 Sponsorship Team. Talent and performance are critical to get right in any business and Jacquie is particularly interested in the role that diversity, culture and engagement play in ensuring that Centaur achieves its highest potential.

STEVE NEWBOLD
Group Managing Director
Xeim

Steve is Group Managing Director of Xeim. He is responsible for all the brands and services in the Xeim marketing division including Econsultancy, Influencer Intelligence and the highly successful Mini MBA series. Prior to this Steve was responsible for Centaur's multi-market Media and Events portfolios and Home Interest Division. Steve joined Centaur in 2015 having previously held Managing Director roles at WGSN, i2i Events, Emap Communications (now Ascential) and Emap Consumer Media (now Bauer). He has experience of running multi-channel businesses in key sectors across both B2B and consumer markets.

ANDY BAKER
Managing Director
The Lawyer

Andy is Managing Director of The Lawyer. He joined Centaur in 2017 and has over 20 years' experience of running B2B and B2C online businesses, including Managing Director positions in online acquisitions and start-ups at ITV, Trinity Mirror and Guardian Media Group. Prior to joining Centaur, he was Managing Director of Public Sector at EMAP, part of Ascential, where he successfully transformed the market-leading Health Service Journal from print to digital-only, and from advertising to subscriptions. At Centaur he has successfully delivered substantial new digital products and accelerated growth in subscriptions. Andy holds a first-class degree from Oxford and an MBA from IMD Business School, Switzerland.

Directors' Report

The Directors of Centaur Media Plc ('the Company' or 'the Group'), a company incorporated and domiciled in England and Wales, present their report on the affairs of the Group and Company together with the audited Company and consolidated financial statements for the year ended 31 December 2020.

There are no significant events since the reporting date for disclosure in the financial statements.

Principal activities

The principal activities of the Group are the provision of business information, training and specialist consultancy to selected professional and commercial markets within the marketing and legal professions, our two sectors. The principal activities of the Company are those of a holding company.

Business review

The Strategic Report, incorporating the CEO's Review, on pages 1 to 37 sets out a summary of the Group strategic objectives, business model, key performance measures, operating and financial reviews, future developments, principal risks, S172 statement and the Environmental, Social and Governance report.

Greenhouse gas emissions

Details of the Group's greenhouse gas emissions are included in the Environmental, Social and Governance report on page 34.

Research and development activities

The Group invests in systems and website development activities – see note 11 to the financial statements for the internally generated amounts capitalised during the year. The Group does not incur any significant research costs.

Dividends

A final ordinary dividend under the dividend policy in respect of the year to 31 December 2020 of 0.5p per share (2019: nil) is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 28 May 2021 to ordinary shareholders on the register at the close of business on 14 May 2021. The total dividends paid to shareholders relating to the year will therefore be 0.5p (2019: 3.5p including a special dividend of 2.0p).

Share capital and substantial shareholdings

Details of the share capital of the Company are set out in note 23 to the financial statements. As at 31 December 2020, and 16 March 2021 (being the last practicable date prior to publication), notifications of interests at or above 3% in the issued voting share capital of the Company had been received from the following:

	31 December 2020	16 March 2021
Aberforth Partners LLP†	24.45%	24.36%
Harwood Capital	13.12%	17.04%
Gresham House Asset Management	7.77%	7.78%
Quaero Capital (Argos Funds)††	7.69%	7.69%
Chelverton Asset Management††	7.97%	6.60%
Graham Sherren††	5.64%	5.64%
Artemis Investment Management LLP	11.62%	4.55%
Herald Investment Management††	3.10%	3.75%

† This includes Wellcome Trust Limited which is managed by Aberforth Partners LLP

†† Figures derived from share register analysis

At 16 March 2021 and 31 December 2020, 4,550,179 (31 December 2019: 6,964,613) 10p ordinary shares are held in treasury, representing 3.01% (2019: 4.60%) of the issued share capital of the Company as at 31 December 2020. As at 31 December 2020, there were 800,000 (2019: 800,000) deferred shares of 10p each which carry restricted voting rights and carry no right to receive a dividend payment.

As announced on 14 October 2020, the FCA granted Centaur a temporary modification to its listing obligations under LR 6.14.1R to allow for a minimum of 17.5% of the ordinary shares in the Company to be held in public hands ('free float'). As at the date of this report the free float is 22.7%.

Directors and Directors' interests

The Directors of the Company during the year and up to the date of this report are detailed below. All Directors served from 1 January 2020 unless otherwise stated. The Board has decided to continue observing best practice by offering themselves for re-election annually.

	Number of ordinary shares held at 1 January 2020	Shares acquired during the year	Number of ordinary shares held at 31 December 2020†	Number of ordinary shares held at 16 March 2021
Swagatam Mukerji	136,601	260,605	397,206	398,639
Simon Longfield	34,499	38,270	72,769	72,769
Colin Jones	120,000	20,000	140,000	140,000
William Eccleshare	–	–	–	–
Carol Hosey (appointed 5 February 2020)	–	–	–	–
Leslie-Ann Reed (appointed 1 March 2020)	–	–	–	–
Robert Boyle (retired 31 March 2020)	117,037	–	117,037	N/A
Rebecca Miskin (retired 31 March 2020)	14,800	–	14,800	N/A

† Or date of resignation if earlier

Directors' Report

CONTINUED

The Directors' interests in long-term incentive plans are disclosed in the Remuneration Committee Report on pages 51 to 65.

Qualifying third party indemnity provisions

By virtue of article 217 of the Articles of Association of the Company, a qualifying third-party indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each Director of the Company and was in force throughout the year.

The Company has purchased appropriate insurance in respect of legal actions against Directors and officers.

Charitable and political donations

The Group normally supports local communities and charitable organisations through direct fundraising, donation and pro-bono work. During 2020 and due to Covid this did not happen, but employees made generous donations to The Waterloo Foodbank.

In 2019, £75,125 was donated to The Alzheimer's Society. These donations comprised employee contributions from bake sales and sporting events, a Group contribution and third-party contributions raised through our events.

No political donations were made during the year (2019: £nil).

Employment policy

The Group is an equal opportunities employer and appoints employees based on their skill, experience and capability without reference to age, sex, ethnic group, religious beliefs or any other personal characteristics.

It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group.

The Group actively encourages employee involvement at all levels, both through monthly employee briefings and by direct access to managers and the Executive Committee. A workforce advisory panel known as DICE was set up in 2019 and more details can be found in the Strategic Report on pages 15, 35 and 36. In addition, the Share Incentive Plan as described in note 24 encourages employees' participation in the Group's performance.

All employees are regularly briefed on the financial and economic factors affecting the Group's performance and new initiatives through town hall meetings and management cascade communication.

Significant agreements

The Group's bank facility agreement is a significant agreement that is terminable on a change of control of the Company. In addition, awards under certain of the long-term incentive plans, details of which are set out in note 24, will vest or may be exchanged for awards of a purchaser's shares upon a change of control of the Company.

Conflicts of interest

Following the implementation of legislation on conflicts of interest, reflected in the changes to the Company's Articles of Association in 2008, procedures are in place to deal with such conflicts and they have operated effectively.

Financial instruments

A statement in relation to the financial risk management and use of financial instruments by the Group is presented in note 27 to the financial statements.

Information required under the listing rules

In accordance with the UK Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report and financial statements, where applicable, under LR 9.8.4, is set out in this Directors' Report, with the exception of details of transactions with shareholders which is set out on page 62.

Going concern

The Directors have carefully considered the Group's net current liability position, have assessed the Company's ability to continue trading, and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report and for the foreseeable future, being the period shown in the viability statement on page 30. This includes consideration of downside scenarios relating to the current immediate risk from Covid. See note 1(a) of the financial statements for further details and page 30 for our viability statement.

Subsidiaries

Details of the subsidiaries of the Company are shown in note 13 to the financial statements.

Compliance with the UK Corporate Governance Code

The Directors' Statement on Corporate Governance in respect of the Group's compliance with the provisions of the UK Corporate Governance Code is set out on page 43.

Auditor and disclosure of information to the Auditor

The Directors confirm that, so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Directors' responsibility statement is included on page 66.

Approved by the Board of Directors and signed by order of the Board.

HELEN SILVER
Company Secretary

16 March 2021

Directors' Statement on Corporate Governance

The Board is committed to high standards of corporate governance and supports the UK Corporate Governance Code published in 2018. The Board sets out its report below on how the Group has applied the principles of, and complied with, the UK Corporate Governance Code during the year.

Compliance statement

The Company has applied the provisions set out in the UK Corporate Governance Code throughout the year. The Board is committed to maintaining a structure which establishes a sound corporate governance framework on behalf of the Company's shareholders. Throughout the year, the Group has complied with all the provisions of the UK Corporate Governance Code except for those set out below.

In contravention of Provision 32 of the Code, Colin Jones remained as Chair of the Remuneration Committee when he was appointed as Chair of the Company on 30 June 2019 to ensure continuity following Neil Johnson's resignation and while the recruitment process for new Non-Executive Directors took place. Carol Hosey was appointed as Chair of the Remuneration Committee, in place of Colin Jones, when she joined the Board on 5 February 2020.

In respect of Provision 38 of the Code, Executive Director's pension contributions are in line with the Remuneration Policy approved at the AGM in 2019. Swagatam Mukerji receives a pension allowance equivalent to 9% of annual salary, the rate at the time of his appointment in 2016. Simon Longfield receives a pension allowance equivalent to 5% of annual salary, in line with the pension arrangements of the general workforce.

The Board

As at 31 December 2020, the Board had four Non-Executive Directors and two Executive Directors (Chief Executive and Chief Financial Officer). On 5 February 2020, Carol Hosey was appointed to the Board as an Independent Non-Executive Director and as Chair of the Remuneration Committee. On 1 March 2020, Leslie-Ann Reed was appointed to the Board as an Independent Non-Executive Director and became Chair of the Audit Committee when Robert Boyle retired on 31 March 2020. In addition, Rebecca Miskin retired from the Board on 31 March 2020. Biographies for each currently serving Director are shown on pages 38 and 39. The Board endeavours to maintain diversity in its composition with respect to gender, skills, knowledge and length of service in order to ensure the balanced and effective running of the Company. Colin Jones is Chair of the Board and was independent on appointment. He leads the Board and ensures that both Executive and Non-Executive Directors make available sufficient time to carry out their duties in an appropriate manner, that all Directors receive sufficient financial and operational information, and that there is proper debate at Board meetings.

The Board is responsible for the leadership of the Company and the Group, and in discharging that responsibility it makes decisions objectively and in the best interests of the Group and its stakeholders. The Section 172 Statement is set out in the Strategic Report on pages 31 to 33. The Board sets the vision, culture, values and standards for the Group. The balance of the Board, together with the advice sought from the Executive Committee members and the Company's external advisors, ensures that no one individual has unfettered powers of decision. The Board delegates day-to-day responsibility for the running of the Company to the Chief Executive.

The Chair is responsible for the effective performance of the Board through a schedule of matters reserved for approval by the Board (comprising issues considered most significant to the Group in terms of financial impact and risk) and control of the Board agenda. The Chair conducts Board and shareholder meetings and ensures that all Directors are properly briefed. The Chief Executive, supported by the Chief Financial Officer and Executive Committee, is responsible to the Board for running the business and implementing strategy. The Board reviews the performance of the Executive Directors and the Group against agreed budgets and against the Group's objectives, strategy and values.

The Senior Independent Director is William Eccleshare, who is also a member of the Remuneration and Nomination Committees. The Company Secretary is Helen Silver. The Company Secretary assists the Chair in ensuring there is efficient communication between all Directors, the committees and senior management, as well as the professional development of Directors. Independent advisors including lawyers, remuneration specialists and external auditors are available to advise the Non-Executive Directors at the Company's expense. All the Non-Executive Directors are independent, and the Chair was independent on appointment. Committee meetings are held independently of Board meetings and invitations to attend are extended by the Committee Chair to other Directors, the Group's advisors and management as appropriate. The terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, including their roles and the authority delegated to them by the Board, are available on request from the Company Secretary and will be available at the AGM.

Directors' Statement on Corporate Governance CONTINUED

Board meetings

During the year, the membership of the Board and of each committee was as follows:

	Board Role	Audit Committee	Remuneration Committee	Nomination Committee
Colin Jones [1]	Chair	–	Member	Chair
William Eccleshare	Senior Independent Director	–	Member	Member
Carol Hosey [1,2]	Non–Executive Director	Member	Chair	Member
Leslie-Ann Reed [2]	Non–Executive Director	Chair	Member	Member
Swagatam Mukerji	Chief Executive	–	–	–
Simon Longfield	Chief Financial Officer	–	–	–
Former Directors				
Rebecca Miskin [1,2]	Non–Executive Director	Member	Member	Member
Robert Boyle [1 2]	Non–Executive Director	Chair	Member	Member

[1] Carol Hosey was appointed as Chair of the Remuneration Committee and Colin Jones stepped down as Chair of the Remuneration Committee on 5 February 2020. Rebecca Miskin and Robert Boyle retired as members of the Committee on 31 March 2020.

[2] Leslie-Ann Reed was appointed to the Board on 1 March 2020 and replaced Robert Boyle as Chair of the Audit Committee on 31 March 2020. Carol Hosey joined the Audit Committee from 31 March 2020 and Rebecca Miskin retired as a member of the Committee on 31 March 2020.

The number of scheduled full Board meetings and committee meetings during the year along with attendance of Directors was as follows:

	Board[1]		Audit Committee[1]		Remuneration Committee[1]		Nomination Committee[1]	
Number of scheduled meetings held:		6		4		2		2
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
Colin Jones	6	6	–	–	2	2	2	2
William Eccleshare	6	6	–	–	2	2	2	2
Rebecca Miskin	1	1	2	2	1	1	1	1
Robert Boyle	1	1	2	2	1	1	1	1
Swagatam Mukerji	6	6	–	–	–	–	–	–
Simon Longfield	6	6	–	–	–	–	–	–
Carol Hosey (appointed 5 February 2020)	6	6	2	2	2	2	2	2
Leslie-Ann Reed (appointed 1 March 2020)	6	6	4	4	2	2	2	2

[1] Seven additional unscheduled Board meetings were held during the year mainly relating to Covid. One additional Audit Committee meeting was held relating to the Audit tender, one additional Remuneration Committee meeting was held to address changes required to the 2020 Bonus scheme due to Covid and one additional Nomination Committee meeting was held in respect of the appointment of Carol Hosey and Leslie-Ann Reed as Non-Executive Directors.

If a Director is unable to attend a meeting he or she is provided with the same level of information as the other Directors in advance of the meeting and given the opportunity to express views, which will then be shared at the meeting.

In addition to the key items identified for discussion by the Committees above, the Board discussed the following matters at the Board meetings during the year:

- Review of financial performance against budget and prior year;
- Decisions regarding the effect of Covid on the business and employees;
- Review of Group strategy leading to the closure of MarketMakers in August;
- Review of dividend policy and payments;
- Review and approval of budgets;
- Review of Group key performance indicators;
- Approval of financial reports and communication to shareholders and investors; and
- Approval of the Group's internal control policy, including a robust assessment of the principal and emerging risks and corporate governance environment.

Board assessment and Directors' performance evaluation

The Board undertakes a formal evaluation of its own performance and that of its committees and individual Directors. Individual evaluation aims to show whether each Director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for Board and committee meetings and other duties). Evaluations are undertaken annually by self-assessment and the Chair's performance is also evaluated by the other Non-Executive Directors at a separate meeting for this purpose each year. In addition, the Chief Executive is subject to an annual performance review with the Chair. New Directors receive an induction programme and all the Directors are encouraged to undertake continuous professional development programmes as appropriate. The Group maintains insurance cover in respect of legal action against its Directors.

Management structure

The Board delegates the day-to-day running of the Company to the Executive Directors, who in turn share the operational running of the Group with the Executive Committee. Throughout the year, the Executive Committee was the primary body implementing operational management across the Group. The role of the Executive Committee is to review:

- Financial performance, the budget and forecasts;
- Human capital management and resource allocation including capital expenditure;
- Operational efficiency and developments (including Group IT, procurement and facilities);
- Product development;
- Market development;
- Business continuity planning;
- Internal and external communications;
- Business transformation and change management; and
- Acquisition and disposal plans.

The biographies of the members of the Executive Committee are set out on page 40.

Relations with shareholders

The Company encourages meaningful dialogue with all stakeholders. Shareholder communication centres primarily on the publication of annual reports, periodic press releases, investor presentations and trading updates. The Chairman and Executive Directors are available for discussions with shareholders throughout the year and particularly around the time of results announcements. During the year, meetings were held with major shareholders following the preliminary results in March, the interim results in July and most recently in January 2021 following the trading update and announcement of MAP23.

The Senior Independent Director is also available should any shareholder wish to draw any matters to his attention. The Directors are available for comment throughout the year and at all General Meetings of the Company. Centaur Media values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. The Group therefore has an active programme to meet and make presentations to its current and potential shareholders to discuss its objectives. More details on engagement with our stakeholders are set out in the Section 172 Statement in the Strategic Report on pages 31 to 33.

Investors are encouraged to attend the AGM and to participate in proceedings formally or sharing their views with Board members informally after the meeting. The Chairs of the Audit, Remuneration and Nomination Committees are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and financial statements.

The Company counts all proxy votes and indicates the level of proxies lodged on each resolution, after it has been voted on by a show of hands. All shareholders can gain access to the annual reports, trading updates, announcements, research, press releases and other information about the Company through the Company's website, www.centaurmedia.com.

Risk assessment

Risks that affect or may affect the business are identified and assessed, and appropriate controls and systems implemented to ensure that the risk is managed. The Group's risk register is kept by the Company Secretary with input from the Executive Committee and Head of Legal and is reviewed by the Audit Committee regularly with appropriate mitigation actions also being reported to and overseen by the Committee.

Principal and emerging risks

The principal and emerging risks facing the Group, with associated mitigating controls, are detailed on pages 26 to 30 within the Strategic Report.

Directors' Statement on Corporate Governance

CONTINUED

Ethics

The Group carries out its business in a fair, honest and open manner, ensuring that it complies with all relevant laws and regulations. The Company has specific policies on fraud, Director conflict, bribery, whistleblowing and slavery and human trafficking, which are widely distributed and compliance with these policies is monitored. The HR team ensures that new job opportunities are made available to existing employees as well as to outside applicants and that all employees are able to benefit from training, career development and promotion opportunities where appropriate. The recruitment of new personnel is made without prejudice and the Group believes in equal opportunity and encourages diversity. The analysis of the Group's workforce and Board by gender is set out in the Environmental, Social and Governance Report on page 37.

Through all our interactions with our customers and partners we ensure that we treat them fairly and openly while abiding by the terms of contracts and relevant law. Equally, we treat our suppliers fairly, and do not exploit them or their employees, including the objective of paying all suppliers within the agreed payment terms.

Monitoring of controls

The Board has overall responsibility for the effectiveness of the Group's system of risk management and internal controls, and these are regularly monitored by the Audit Committee.

Details of the activities of the Audit Committee in this financial year can be found in the Audit Committee Report on pages 47 to 49.

Greenhouse gas emissions

The disclosure in respect of the greenhouse gas emissions of the Group that are attributable to human activity in tonnes of carbon dioxide is set out in the Environmental, Social and Governance Report on page 34.

Fraud

While the Group cannot guarantee to prevent fraud, an internal control framework is in place to reduce the likelihood of fraud arising. The Group's whistleblowing policy is available to employees on the Company's intranet, should any employee become aware of any incidence of fraud.

Directors' conflicts

Group and subsidiary Directors are required to notify their employing company of all directorships they hold. Annual conflict of interest disclosures require them to disclose such directorships or other relationships, which they or a person connected to them may hold. These are reviewed by the Board to assess the impact on the Company and whether it would impair the Group's objectives.

Bribery Act 2010

In response to the Bribery Act 2010, the Board performed a risk assessment across the Group and formalised its policy to prevent bribery. The Board has in place processes to prevent corruption or unethical behaviour. The policy explains what is considered a bribe or facilitation payment, which are prohibited, and provides guidance over the levels of gifts, entertainment and hospitality that are considered reasonable. Training is mandatory for all employees. During 2020, an online training programme was made available to all employees. The Group's policy is communicated to all appropriate third parties. The more rigorous processes around declaring Directors' interests and identifying potential conflicts have improved the regular monitoring of the Group's policy.

Whistleblowing

The Company is committed to the highest standards of integrity and honesty. Along with other policies which encourage this behaviour, the Group's whistleblowing policy is available to employees on the Company's intranet. This policy allows all employees to disclose openly, in confidence or anonymously, any concerns they may have about possible improper practices, in financial or other matters. An escalation process has been communicated to employees. Any matters raised will be investigated and resolved. The Audit Committee will be notified of any issues raised through this process and appropriate action taken. However, no incidents were noted during the year.

Modern Slavery Act 2015

The Company is committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its business or in any of its supply chains. The Company's slavery and human trafficking statement for the purposes of section 54 of the Modern Slavery Act 2015 is available on the Company's website, www.centaurmedia.com. The Group has in place an anti-slavery and human trafficking policy which has been made available to employees on the Company's intranet and is notified to all new joiners. Training has been provided to key employees and the policy is communicated to suppliers and other third parties where appropriate.

Capital structure

Information on the share capital structure is included in the Directors' Report on page 41.

Approved by the Board of Directors and signed by order of the Board.

HELEN SILVER
Company Secretary
16 March 2021

Audit Committee Report

Dear Shareholder,

I am pleased to present the report of the Audit Committee ('the Committee') for the year ended 31 December 2020, my first as Audit Chair. This report details the Audit Committee's responsibilities and key activities over the period. The role of the Committee is to protect the interests of shareholders regarding the integrity of financial information published by the Group and to oversee the effectiveness of the external audit. It does this through reviewing and reporting to the Board on the Group's financial reporting, internal controls and risk management processes and the performance, independence and effectiveness of the external auditor.

Following the simplification and re-structuring of the Group in 2019, and, the rotation of the PwC audit partner for the year ended December 2020 it was decided that an audit tender process should be undertaken in October 2020. Following the tender process Crowe U.K. LLP were appointed on 10 November 2020 for the year end audit.

Committee composition

I became Chair of the Audit Committee on 31 March 2020 and Carol Hosey became a member of the Committee following the retirements of Robert Boyle and Rebecca Miskin. Our biographies are shown on page 39. The membership of the Committee is balanced and is considered to contain the appropriate combination of recent, relevant financial experience through the Chair, as well as competence relevant to the sector. The Executive Directors, representatives of the external auditor and other Group executives regularly attend meetings at the invitation of the Committee. The Committee met four times during the year with an additional meeting held in respect of the Audit tender, with all members attending. Meetings are held throughout the year and timed to align with the overall financial reporting timetable. At least once during the year, the Committee meets separately with the external auditor and with management, and as Chair I am in regular direct contact with the external auditor and with the Chief Financial Officer.

Roles and responsibilities

The main roles and responsibilities of the Audit Committee are to:

- Monitor the integrity of the financial statements of the Group and any public announcements relating to the Group's financial performance, reviewing (and approving) significant financial reporting judgements contained in them;
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- Review and assess the Annual Report in order to determine that it can advise the Board that, taken as a whole, the Annual Report is fair, balanced and understandable, and provides shareholders with the information they need to assess the Company's position and performance, business model and strategy as required by provision 27 of the UK Corporate Governance Code;
- Make recommendations to the Board in relation to the appointment and terms of engagement of the external auditor and to review and approve levels of audit and non-audit remuneration;
- Develop and implement policy on the engagement of the external auditor to supply non-audit services;
- Review the effectiveness of the Group's internal financial control and risk management systems;
- Review the Group's financial and operational policies and procedures to ensure they remain effective and relevant;
- Oversee the whistleblowing arrangements of the Group and to ensure they are operating effectively; and
- Report to the Board on how it has discharged its responsibilities.

Financial statements

During the year and up until the date of this report, the Audit Committee undertook the following activities to ensure the integrity of the Group's financial statements and formal announcements:

- Regularly met with management and the Chief Financial Officer to discuss the results and performance of the business;
- Received reports from management on the internal controls covering the financial reporting process;
- Reviewed and agreed the external auditor's strategy in advance of their audit for the year;
- Reviewed compliance with requirements under the UK Corporate Governance Code, and in particular its impact on the Strategic Report and Viability Statement;
- Discussed the report received from the external auditor regarding their audit in respect of the prior year, which included comments on significant financial reporting judgements and their findings on internal controls;
- Met with other management personnel;
- Reviewed and discussed with management and the Chief Financial Officer each financial reporting announcement made by the Group; and
- Reviewed compliance with International Financial Reporting Standards ('IFRS').

The most significant financial reporting judgements considered by the Audit Committee and discussed with the external auditor during the year were as follows:

Audit Committee Report

CONTINUED

Carrying value of goodwill, intangible assets and investments

The Audit Committee has reviewed management's assessment of the recoverability of the Group's goodwill and intangible assets and whether there is a need for any resulting impairment. The recoverable amount of goodwill has been determined through value-in-use calculations of each cash-generating unit ('CGU') based on Board approved forecasts for the first three years of the value-in-use calculation and applying a terminal growth rate of 2.5%.

The Audit Committee is satisfied that all goodwill and intangible assets relating to the discontinued operations at MarketMakers have been fully impaired during the year. Management's assessment of the recoverability of the Group's remaining goodwill and intangible assets resulted in no further impairment being recognised.

At 31 December 2020 the Committee reviewed management's assessment of the recoverability of the Group's goodwill and intangible assets. The Committee has paid particular attention to the judgements and assumptions used to forecast cash flows, particularly around revenue and Adjusted EBITDA growth rates. The Committee was satisfied that the forecasts reflect the CGUs' historical budgeting performance and that reasonable sensitivities were performed, that the value-in-use calculation reflects management's best estimate, and that the booking of no impairment against any segment is appropriate. As a result, the Audit Committee was satisfied with the carrying value of goodwill and intangible assets in the Group's balance sheet.

Further details on goodwill and the impairment testing are included in note 10 to the financial statements.

Going concern and viability

The Audit Committee received a report setting out the going concern review undertaken by management which forms the basis of the Board's going concern conclusion. During the year, the Group closed its telemarketing business, MarketMakers, as a loss of contracts following the onset of Covid eliminated the relatively low margins made by this business unit.

The remainder of the Group performed in a satisfactory manner with excellent growth in the Mini MBA and resilience in premium content billings, combined with a full year's benefit of over £6m reduction in annualised overheads, compensating for the loss of physical event revenue caused by the pandemic. This resulted in the Group breaking even at an adjusted operating profit level (2019 re-presented: £1.2m loss). The Group's cash generation remained strong with positive Adjusted EBITDA despite the impact of Covid. Cash stood at £8.3m at the end of 2020 (2019: £9.3m).

The Committee has reviewed forecasts to cover the twelve months from signature date based on the Group's MAP23 strategy with downside scenarios explored. The Committee has also taken into consideration the impact of the new £10m revolving credit facility with NatWest on 16 March 2021. The Committee has concluded that the adoption of the going concern basis is appropriate.

The Committee has also assessed the statement in relation to the longer-term viability of the Group and of the Group's principal risks to viability, including reviewing the long-term financial projections for the period over which the statement is made, and reviewing qualitative and quantitative analysis and scenario testing prepared by management. The Committee concluded that the statement in relation to the longer-term viability of the Group in the Strategic Report is appropriate.

Adjusting items

The Audit Committee has continued to challenge management over recent financial reporting periods with regard to the presentation of exceptional items and other alternative performance measures. Adjusting items disclosed in the year include significant exceptional costs arising primarily in relation to the closure of the MarketMakers business and some restructuring costs in Xeim. The Committee notes that the restructuring activities arise from specific change programmes during the year, and that they are material and could therefore distort the user's view of the Group's results. The Committee is satisfied that it is appropriate to present these items as adjusting items on the basis that they assist the user in assessing the core operating performance of the Group.

The Committee assesses the appropriateness of all alternative performance measures disclosed as adjusting and the impact these have on the presentation of the Group's results and is satisfied that they do not inappropriately replace or obscure IFRS measures. Further details on adjusting items are included in notes 1(b) and 4 to the financial statements.

Accounting for the closure of MarketMakers

The Committee has considered the accounting for MarketMakers as a discontinued operation in the year. It is satisfied that it meets the requirements of IFRS 5 and its classification as discontinued operations is appropriate.

New accounting standards

No new accounting standards were introduced during the year.

Risk management

The Group's management is responsible for the identification, assessment and management of risk and emerging risk, as well as for designing and operating the system of internal control as set out in the Strategic Report on pages 26 to 30. The Committee has assessed management's identification of risk and concluded that appropriate mitigating actions are being taken. The auditor has also detailed certain risks in their report and set out the work performed to satisfy themselves that these have been properly reflected in the financial statements. The Committee has worked closely with management and received detailed information to assess the effectiveness of internal financial control and risk assessment and management systems, and report on them to the Board (which retains ultimate responsibility). Details of financial risks are set out in note 27.

Having monitored the Group's risk management and internal control system, and having reviewed the effectiveness of material controls, including financial, operational and compliance controls, the Committee confirms on behalf of the Board that it has not identified any significant control failings or weaknesses at any time during the year and to the date of this report.

Risk of fraud

The Committee considered the risk of fraudulent financial reporting in the business, and through its review of the effectiveness of internal controls and reporting from management, has concluded that adequate controls were in place during the year.

Whistleblowing

The Committee reviewed the Group's whistleblowing policy and is satisfied that this has met FCA rules and good standards of corporate governance. Further details of the whistleblowing policy are set out within the Directors' Statement on Corporate Governance on page 46.

Internal audit

The Committee considered whether it was appropriate to appoint internal auditors and concluded that this is not currently required given the size of the business, its relatively centralised operations and the risks identified together with the mitigating controls.

External audit

The Group's external auditor was PricewaterhouseCoopers LLP ('PwC') until 10 November 2020 when Crowe U.K. LLP ('Crowe') were appointed following a formal tender process. The Committee monitors the external audit process to ensure high standards of quality and effectiveness. This was assessed throughout the year using a number of measures, including:

- Reviewing the quality and scope of planning of the audit and the level of fees;
- Monitoring the independence and transparency of the audit; and
- Obtaining feedback from management and the Directors on the quality of the audit team, their business understanding and audit approach, and approving reappointment.

Until 10 November 2020 when Crowe were appointed as auditor, PwC had been the Company's external auditor since its incorporation in 2004 and continued following a tender process in 2016.

The Audit Committee has considered the independence and objectivity of the external auditor through a careful review of their terms of engagement, scope of work and level of fees (which are shown in note 3 to the financial statements). This included reviewing the nature and extent of non-audit services supplied by the external auditor to Centaur, seeking to balance objectivity and value for money.

The external auditor is excluded from providing any non-audit services that individually, or in aggregate, may impair the independence of the auditor. Prior approval from the Audit Committee is required for any permitted audit related or other services in accordance with the regulations.

During the year, PwC and Crowe provided no services to the Group other than audit and audit-related (interim review) services.

The external auditor's report to the Directors and the Audit Committee also confirmed their independence in accordance with auditing standards and the Committee concurred. Should non-audit services be required in the forthcoming year, we are likely to use suppliers other than Crowe.

Self-assessment

During the period the Audit Committee performed a formal, questionnaire based, self-assessment of the effectiveness of the Audit Committee with satisfactory results.

Report to the Board

The Board has requested the Committee to confirm that in its opinion the Board can make the required statement that the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee has given this confirmation on the basis of its review of the whole Annual Report, underpinned by involvement in the planning for its preparation, review of the processes to ensure the accuracy of factual content and by assurances from the Remuneration Committee.

Independent auditor

A resolution is to be proposed at the Annual General Meeting for the appointment of Crowe as auditor of the Company.

LESLIE-ANN REED
Chair of the Audit Committee

16 March 2021

Nomination Committee Report

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2020. This report details the Committee's ongoing responsibilities and key activities over the period. The Committee comprises myself and the three independent Non-Executive Directors, William Eccleshare (Senior Independent Director), Carol Hosey and Leslie-Ann Reed. Over the past 12 months, Centaur has benefited from a stable, enthusiastic and committed Board and this has been invaluable in ensuring a calm and measured response to the challenges of the Covid pandemic.

Nomination Committee Responsibilities

The Committee's key responsibilities include:

- Reviewing the Board's structure, size and composition;
- Reviewing the composition of Board Committees;
- Defining the role and competencies required for appointments to the Board;
- Identifying, nominating and reviewing candidates for appointment to the Board;
- Managing succession planning for all members of the Board and senior management team; and
- Reviewing the leadership needs of the organisation, including Executive and Non-Executive Directors as well as senior management.

The appointment of Directors is a matter for the Board, which considers the recommendations of the Nomination Committee. The Committee is responsible for ensuring that the Board and the Board Committees are properly constituted and balanced in terms of skills, experience and diversity. Our policy on Board diversity is set out in the Directors' Report above. For most of the year, we had two female Board members, representing one-third of the Board. Details of diversity/gender in the Company are set out in the Environmental, Social and Governance Statement on page 37.

Activities during the year

During early 2020, the focus of the Committee was the appointment of two new independent Non-Executive Directors in preparation for the retirements from the Board of Robert Boyle and Rebecca Miskin. For all appointments the Committee followed a rigorous process that was approved by the Board.

In addition to the relevant skills required to fulfil the chair roles for the Audit and Remuneration Committees, media sector and listed company experience were also requirements for at least one of the new appointments. The role specification also reflected the Committee's desire to elevate the importance of people at Board level by hiring a non-executive with strong human resource skills. Thanks to its wide network of contacts, the Committee was able to identify potential candidates without the use of an external search consultancy or open advertising. Following a short list and interview exercise, the appointments of Carol Hosey and Leslie-Ann Reed were recommended to the Board. A reputable independent executive search consultant, Inzito, undertook the referencing process.

Carol Hosey was confirmed as a Non-Executive Director, Chair of the Remuneration Committee and a member of the Nomination Committee with effect from 5 February 2020. She also became a member of the Audit Committee on 31 March 2020. Carol has extensive remuneration experience at executive and board level and has spent over 20 years in senior HR roles, including positions at Mace, Mitie Group plc, Nationwide Building Society and Lloyds Banking Group. Carol's experience also means she is well placed as the NED sponsor of Centaur's workforce advisory panel, DICE.

Leslie-Ann Reed was confirmed as a Non-Executive Director and a member of the Audit, Remuneration and Nomination Committees with effect from 1 March 2020. She became Chair of the Audit Committee when Robert Boyle retired on 31 March 2020.

Leslie-Ann is an experienced non-executive director and chairs the audit committees at Learning Technologies Group plc and Induction Healthcare Group PLC. She is also a non-executive director and member of the audit and remuneration committees of Bloomsbury Publishing Plc. Leslie-Ann's executive roles have included CFO of the B2B publisher Metal Bulletin plc and the online auctioneer Go Industry plc.

Following the business disposals in 2019, the Committee determined that a priority during 2020 was to enhance succession planning to support and develop a diverse pipeline of talent at all levels of the Group. As part of this exercise, the Committee also identified emergency successors for all key roles in the event the Covid pandemic triggered any long-term absences. In 2021, we will continue to focus on in-house talent and identify gaps in skills and experience so that rising stars can be developed further.

COLIN JONES

Chair of the Nomination Committee

16 March 2021

Remuneration Committee Report

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2020. This is my second report as Chair of Centaur's Remuneration Committee since my appointment on 5 February 2020 and it has been a particularly unusual and challenging year, for all concerned.

As we began 2020, we were only just starting to understand the potential magnitude of the pandemic and the impact it would have on people, the economy and business. Dealing with the array of issues that have arisen as a result of Covid has been made all the more difficult as few people have had experience of leading through such a global event; I doubt and hope that I don't see anything of the like in the remainder of my career.

With this as the background for the year, the Committee has considered some particularly difficult issues. Healthy debate has ensured that the interests of all stakeholders have been considered and we have achieved a balanced approach in the application of the agreed Remuneration Policy and the continued commitment, motivation and incentivisation of our people, during an otherwise difficult year.

One area I would like to draw your attention to surrounds the 2020 Annual Bonus Plan for Executive Directors, details of which you can read on page 60. The Committee considered carefully whether it would be appropriate to make any payments under this Plan, given the emphasis on conserving cash, our participation in the government's Coronavirus Job Retention Scheme ('CJRS') and the suspension of dividend payments during the year. While Centaur did participate in the CJRS the sums received were small relative to the costs of the business generally and the bulk of the funds received related to the MarketMakers business, where ultimately we were unable to preserve the roles and the business was closed in August.

Having given due consideration to these points, the Committee agreed that the proportion of bonus that was allocated to financial targets (80%) should lapse, as these targets would not be achieved. The 20% allocated to personal objectives looked likely to be achieved in full but we felt it was relevant and appropriate to amend these objectives for the year to support the considerable efforts of the Executive Team to drive the business forward during the pandemic. On that basis the objectives relating to this 20% of the bonus opportunity were reviewed and split evenly between revised financial targets and the personal objectives that had been agreed at the start of the year (10% to each grouping).

This action had the desired effect and we are pleased to report that business performance has been better than anticipated at the start of the year and parts of the business have outperformed through the creativity and ingenuity of our people. Executive Directors will therefore be receiving bonus awards for the 2020 financial year of no more than 20% of base pay. The Board has also taken the decision to reinstate the payment of dividends and is proposing to pay a final dividend in relation to 2020.

I know some of you will also have questions regarding the in-flight Long Term Incentive Plans, which have been impacted by events of the last year. The Committee discussed whether it was appropriate to change the performance conditions for these schemes and agreed to retain the existing performance conditions, as a matter of principle. An LTIP grant was made in 2020, the performance conditions for which have been aligned to the achievement of MAP23; this was a reduced grant to reflect the lower share price in the early part of the year, largely reflecting the short-term impact of Covid, and should reduce the risk of the Executive Directors receiving a windfall gain at the vesting date.

The Committee also considered reducing the salaries of the Directors and senior management team as part of the cost saving initiatives undertaken to protect the financial position of the Company in the early stages of the pandemic. Ultimately the Committee concluded that executive pay had already been reduced significantly by the impact of Covid on 2020 annual bonuses and LTIP grants, and no salary reduction was implemented. However, the Non-Executive Directors, for whom the annual fee is their only remuneration from the Company, agreed to reduce their fees by 20% for a three-month period during the height of the pandemic.

These are just a few of the significant issues we have discussed this year and I hope gives you a flavour of the work of the Committee. The full list of actions during the year is set out below.

This report is in three parts: (i) this Annual Statement; (ii) the Directors' Remuneration Policy section, which sets out the Remuneration Policy approved by shareholders at the AGM held on 17 May 2019; and (iii) the Annual Report on Remuneration.

Committee membership and work of the Committee during the year

During the year, Centaur's Remuneration Committee comprised: Colin Jones (Chair until 5 February 2020 when I joined the Board and became Chair of the Committee), William Eccleshare and Leslie-Ann Reed. Rebecca Miskin and Robert Boyle retired from the Board and Committee on 31 March 2020.

The Committee had two scheduled meetings during 2020 and met one further time. The main Committee activities during the year (full details of which are set out in the relevant sections of this report) included:

- Agreeing Executive Director base salary levels from 1 April 2020;
- Agreeing the performance against the targets for the 2019 annual bonus;
- Agreeing the targets for the 2020 annual bonus plan and revisions necessitated by Covid;
- Agreeing not to use discretion to amend the performance conditions for the LTIPs granted in 2018 and 2019 due to Covid;
- Agreeing the award levels and performance tests for the 2020 LTIP awards;
- Reviewing the Company's share dilution capacity for LTIP awards;
- Reviewing and setting remuneration for the Directors and senior management;
- Reviewing workforce remuneration and alignment of workforce incentives and rewards; and
- Reviewing gender pay numbers and disclosures and the CEO pay ratio requirements.

In addition, the Committee has considered how the Policy and practices are consistent with the six factors set out in Provision 40 of the UK Corporate Governance Code:

- **Clarity**
  Our Policy (approved by shareholders in 2019) is understood by our senior executive team and has been clearly articulated to our shareholders and representative bodies (both on an ongoing basis and when changes are proposed).

Remuneration Committee Report

CONTINUED

- **Simplicity**
  The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our executive remuneration policies and practices are straightforward to communicate and operate.
- **Risk**
  Our Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded via: (i) the balanced use of annual and long-term pay with a blend of financial, non-financial and shareholder return targets; (ii) the significant role played by equity in our incentive plans; and (iii) malus/clawback provisions.
- **Predictability**
  Our incentive plans are subject to individual caps, and our share plans are subject to market standard dilution limits.
- **Proportionality**
  There is a clear link between individual awards, delivery of strategy and long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.
- **Alignment to culture**
  Our executive pay policies are fully aligned to our culture through the use of metrics in our incentive plans.

Implementation of the Remuneration Policy in 2020

The Committee implemented the Remuneration Policy in 2020 as follows:

- Base salary levels were not increased for Executive Directors from 1 April 2020 (contrary to the statement in the 2019 Annual Report) due to the impact of Covid. Therefore, Swagatam Mukerji's base salary remained at £320,000 and Simon Longfield's remained at £175,000;
- There were no changes to pension or benefit provisions;
- Bonus for 2020 was to be aligned with the new MAP22 strategy introduced towards the end of 2019. Due to Covid, and the first lockdown which commenced just after we signed off our 2019 Annual Report, the Committee reviewed the bonus plan confirming that the 80% aligned to financial targets would lapse but that the targets for the remaining 20% would be changed and split evenly between revised financial targets and the existing personal objectives. This approach was agreed in June 2020. The financial objectives (equating to 10% of base salary) were reset based on a forecast produced in May 2020 while personal objectives (also 10% of base salary) were as originally approved. The revised scheme meant that the total bonus opportunity was reduced from 100% to 20% of salary for 2020; and
- The Committee granted LTIP awards to Swagatam Mukerji and Simon Longfield on 30 June 2020. Prior to this grant, Centaur's share price had fallen significantly due to Covid uncertainties. To take the low share price into account and to prevent potential windfall gains, the Committee agreed to a grant of LTIP based on 75% of base salary rather than 100% permitted under the Policy. Additionally, since future performance was extremely uncertain and the MAP22 targets that had been set out in autumn of 2019 were no longer applicable, the Committee agreed to defer the setting of specific performance criteria until no later than six months after the grant. The performance conditions were agreed in December 2020 after a new MAP23 strategy had been proposed so that full consideration could be given to the effect of Covid. These performance conditions are based on TSR, Group Adjusted EBITDA margin and Adjusted Basic EPS (each weighted one third).

Further details are given on pages 59 to 62.

Implementing the Remuneration Policy for 2021

- The base salaries for the Executive Directors are expected to increase on 1 April 2021 by 2% in line with the expected general workforce increases. There will be no changes to pension and benefit provisions;
- The maximum annual bonus for Executive Directors is 100% of salary. The majority of bonus potential (80%) will be measured against financial-based targets with a minority (20%) based on strategic and personal objectives. Any annual bonus greater than 75% of basic salary will be awarded in Centaur Media Plc shares and deferred for three years; and
- LTIP awards are expected to be granted on a basis consistent with awards granted in prior years in terms of grant levels (100% of salary). Performance targets are expected to be based one-third on Adjusted EBITDA performance, one-third on Adjusted Basic EPS and one-third on relative TSR.

Shareholder consultation and AGM approvals

At the 2021 AGM there will be an advisory resolution on the Annual Statement and Annual Report on Remuneration for the year ended 31 December 2020. I hope we continue to receive your support.

CAROL HOSEY
Chair of the Remuneration Committee
16 March 2021

Directors' Remuneration Policy

The following section of the Directors' Remuneration Report sets out a summary of the Directors' Remuneration Policy approved by shareholders at the AGM held on 17 May 2019. There have been no changes to the policy since that date. The full Directors' Remuneration Policy is set out below for ease of reference.

Policy scope

The Policy applies to the Chairman, Executive Directors and Non-Executive Directors.

Policy duration

The current Remuneration Policy was passed by a binding shareholder vote at the Company's AGM held on 17 May 2019 and became effective from the date of that meeting. The policy takes into account the provisions of the UK Corporate Governance Code which became effective from 1 January 2019, and other good practice guidelines from institutional shareholders and shareholder bodies. All payments to Directors during the policy period will be consistent with the approved policy.

Overview of Remuneration Policy

Centaur recognises the need to attract, retain and incentivise executives with the appropriate skills and talent to manage and develop the Group's businesses, drive the Group's strategy and deliver shareholder value. The main principles of the Directors' Remuneration Policy are:

- To achieve total remuneration packages that are competitive in the sector within which the Group operates and with the market in general;
- To provide an appropriate balance between fixed and variable remuneration which rewards high levels of performance; and
- To incentivise and retain management and to align their interests with those of shareholders.

Considerations of employment conditions elsewhere in the Group

The Committee considers the base salary increases and remuneration policies and practice more generally for all employees when determining the annual salary increases and remuneration policy for the Executive Directors. Employees were not consulted in respect of the renewal of the Directors' Remuneration Policy approved at the AGM in 2019, although the Committee will keep this approach under review when proposing a new Remuneration Policy in future.

Consideration of shareholder views

The Committee considers shareholder feedback received in relation to the Annual Report and AGM each year. This feedback, plus any additional feedback received during the course of the year, is then considered as part of the Company's annual review of its remuneration policy. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Directors' Remuneration Policy. Details of votes for and against the resolution to approve last year's Remuneration Report and the 2019 Remuneration Policy are set out in the Annual Report on Remuneration.

Directors' Remuneration Policy – summary table

The table below sets out the Remuneration Policy approved by shareholders at the AGM held on 17 May 2019.

Note that payments may be made under arrangements in place prior to this policy becoming effective (including pension, other benefits and incentives).

The remuneration offered to employees of the Group will be adapted to reflect local market practice and seniority.

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Base salary	Reflects the value of the individual and their role Reflects skills and experience over time Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income	Reviewed annually, normally effective 1 April Paid in cash on a monthly basis Pensionable Benchmarked against companies with similar characteristics and sector comparators	The Committee has not set a maximum level of salary. Increases will be set in the context of salary increases amongst the wider work force The Committee retains the discretion to make increases above this level in certain circumstances, for example, but not limited to: • An increase in the individual's scope and responsibilities • Alignment to the external market • An increase to reflect an individual's performance and development in the role, e.g. where a new appointment is recruited at a lower salary level and is awarded stepped increases	Not applicable

Directors’ Remuneration Policy

CONTINUED

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
2019 Incentive Plan (“2019 IP”) for 2019 only	Incentivises delivery of 2019 strategic goals Maximum award only payable for achieving demanding targets	Not pensionable Deferral of any award in excess of 75% of maximum into shares for two years Dividend equivalents may be payable on deferred share awards	200% of salary	Measured over 2019 Based on maximising shareholder value from divestments of non-core assets, achieving stretch profit and operating margin targets for the ongoing Xeim business and reducing central overhead costs by the end of 2019 Clawback provisions apply
Annual bonus **(2020 onwards)**	Incentivises annual delivery of financial and strategic goals Maximum bonus only payable for achieving demanding targets	Targets reviewed annually Not pensionable Deferral of any bonus over 75% of base salary into shares for three years Dividend equivalents may be payable on deferred share awards	100% of salary	Normally measured over a one-year performance period Primarily based on Group’s annual financial performance (majority, if not all) Personal and/or strategic objectives (minority) Measures for the following years will be set out in the Annual Report on Remuneration of the relevant year Clawback provisions apply
Long term incentives	Aligns to main strategic objectives of delivering profit growth and shareholder return	Annual grant of conditional awards or nil cost options Dividend equivalents may be payable on shares to the extent awards vest	Awards capped at 100% of salary (200% in exceptional circumstances)	Normally a three-year performance period Performance is based on financial and/or share price-based measures (e.g. EPS and relative TSR) The Committee may alter the weighting and targets for each grant annually if it determines that it is appropriate to do so Targets for the following years will be set out in the Annual Report on Remuneration Awards vest as follows: • Threshold performance: 25% of award • Maximum performance: 100% of award Clawback provisions apply as well as a two-year holding period after vesting for LTIPs issued after May 2019

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Pension	Provides competitive retirement benefits Provides an opportunity for Executive Directors to contribute to their own retirement plan	Defined contributions made to the Executive Director's own pension plan. Cash alternatives may also be paid	Up to 15% of base salary, although pension provision in respect of future Executive Director appointments will be aligned to the workforce where possible	Not applicable
Other benefits	Aids retention and recruitment	Executive Directors are provided with private medical insurance Other benefits including company car allowance and car parking may be provided if considered appropriate by the Committee	There is no maximum. Set at a level which the Committee considers is appropriate in the context of the circumstances of the role/individual and local market practice	Not applicable
Share ownership	To provide alignment of interests between Executive Directors and shareholders	50% of the net of tax vested LTIP shares required to be retained until the guideline is met	200% of salary	Not applicable

Notes

1. The Annual Report on Remuneration sets out how the Company implemented the policy presented above in 2020 and will apply it in 2021.
2. Not all employees have a bonus opportunity, and below Executive Director level bonus opportunities are lower. Participation in the 2019 IP was limited to Executive Directors and participation in the LTIP was limited to Executive Directors and certain selected senior management. Other employees are eligible to participate in the Company's all employee share plan. In general, these differences arise to ensure remuneration arrangements are competitive in the market, together with the fact that remuneration of the Executive Directors and senior executives typically has a greater emphasis on performance related pay. All bonus schemes are discretionary.
3. The choice of performance metrics applicable to the 2019 IP, which is not relevant for 2020 or subsequent years, reflected Centaur's strategy to simplify the business and maximise shareholder value during 2019 while ensuring that there was an appropriate focus on the remaining business.
4. The choice of performance metrics applicable to the annual bonus plan reflect the Committee's belief that any incentive compensation should be appropriately challenging and primarily tied to financial measures.
5. The EBITDA, EPS and TSR performance conditions applicable to the 2021 LTIP awards were selected by the Committee on the basis that they are consistent with rewarding the delivery of long-term returns to shareholders and the Group's financial growth.
6. Executive Directors may participate in any all-employee share plan, in line with HMRC limits, and to the extent offered.

Directors' Remuneration Policy

CONTINUED

Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's prevailing approved remuneration policy at the time of appointment and would take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

On recruitment, salary may (but need not necessarily) be set below the normal market rate, with phased increases as the executive gains experience. Pension provision will be aligned to that provided to the general workforce where possible. Incentive awards would be no more than set out in the Policy table above. In addition, on recruitment the Company may compensate for amounts foregone from a previous employer (using Listing Rule 9.4.2 if necessary) taking into account the quantum foregone and, as far as reasonably practicable, the extent to which performance conditions apply, the form of award and the time left to vesting.

For an internal promotion, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms. Any other ongoing remuneration obligations existing prior to appointment may continue, provided that they are put to shareholders for approval at the earliest opportunity.

The Committee may agree that the Company will meet relocation, legal fees or incidental costs where appropriate.

Service contracts and loss of office payments

The current Executive Directors have service contracts which have a 12-month notice period, dated 21 September 2016 for Swagatam Mukerji and 6 November 2019 for Simon Longfield. In respect of these service contracts, at the Board's discretion, a payment in lieu of any unexpired notice may be paid, comprising an amount for base salary, pension and any accrued holiday entitlement. The amount may be paid in one lump sum or in two instalments and mitigation will be applied to the second instalment. If termination is within six months of a change of control, a payment equal to 12 months' salary, pension and accrued holiday pay is payable. Where the Company terminates the contract in any other manner, any damages shall be calculated in accordance with common law principles including those relating to mitigation of loss. Notwithstanding the above, the Company is entitled to terminate employment without compensation, damages or payment in lieu of notice in specified circumstances (e.g. serious misconduct).

An annual incentive will normally be payable for the period of the financial year served, although it will normally be pro-rated and paid at the normal pay-out date. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. However, in certain prescribed circumstances, such as death, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest at the vesting date set out in the relevant award, subject to the satisfaction of the relevant performance conditions at the time and reduced pro-rata to reflect the proportion of the performance period actually served. However, the Committee has discretion to determine that awards vest at cessation of employment or to dis-apply time pro-rating.

In addition to the above, outplacement support may be provided and legal fees or any other minor incidental costs which are considered appropriate may be payable.

Remuneration Policy for the Chairman and Non-Executive Directors

The Company Chairman's fee is determined by the Remuneration Committee (other than the Company Chairman, if he sits on the Committee). The fees for the Non-Executive Directors are set by the Board, excluding the Non-Executive Directors. The table summarises the key aspects of the Remuneration Policy for the Chairman and Non-Executive Directors:

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Chairman and Non-Executive Directors fees	Reflect time commitments and responsibilities of each role, in line with those provided by similarly sized companies	Cash fee normally paid on a monthly basis Reimbursement of incidental expenses where appropriate Reviewed periodically An additional amount will be paid for Chairing a Committee	There is no prescribed maximum annual fee or fee increase The Committee and Board are guided by the general increase in the Non-Executive market, but may decide to award a lower or higher fee increase to recognise, for example, an increase in the scale, scope or responsibility of the role or take account of relevant market movements	Not applicable

Letters of appointment

The Chairman and Non-Executive Directors have letters of appointment with the Company, which are for an initial three-year period with the option for an extension for a further three-year period and provide for a notice period of three months. All of the current Non-Executive Directors have chosen to submit to annual re-election at each AGM.

	First appointed as a Director	Current letter of appointment commencement date	Current letter of appointment expiry date
Colin Jones	1 September 2018	1 September 2018	1 September 2021
William Eccleshare	1 July 2016	1 July 2019	1 July 2022
Carol Hosey	5 February 2020	5 February 2020	5 February 2023
Leslie-Ann Reed	1 March 2020	1 March 2020	1 March 2023
Robert Boyle (retired 31 March 2020)	8 January 2010	8 January 2019	19 March 2020
Rebecca Miskin (retired 31 March 2020)	13 January 2011	14 January 2017	14 January 2020

Approach to fees on recruitment

For the appointment of a new Chairman or Non-Executive Director, the fee will be set in accordance with the approved remuneration policy in force at that time.

Annual Report on Remuneration

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2021 is set out below.

Base salary

The Executive Directors' current and proposed salaries are as follows:

	From 1 April 2021 £	From 1 April 2020[1] £	% change
Swagatam Mukerji	326,400	320,000	2%
Simon Longfield	178,500	175,000	2%

1 The Executive Directors are expected to receive a 2% salary increase from 1 April 2021 in line with the expected general workforce increase. It should be noted that following the sign-off of the 2019 Annual Report on 17 March 2020, the Executive Directors waived the 2% pay rise that was proposed to be effective from 1 April 2020.

Pension and benefits

Pension and benefits provision will be in line with the policy. Swagatam Mukerji receives a pension allowance equivalent to 9% of annual salary, the rate at the time of his appointment in 2016, Simon Longfield receives a pension allowance equivalent to 5% of annual salary, in line with the pension arrangements for the general workforce.

Annual bonus for 2021

The maximum bonus for Executive Directors will be 100% of salary. The majority (80%) of bonus potential will be measured against financial-based targets with a minority (20%) based on strategic and personal objectives. Any annual bonus greater than 75% of basic salary will be awarded in Centaur Media Plc shares and deferred for three years.

Long term incentives for 2021

LTIP awards will be granted to Executive Directors in 2021 as follows:

- One-third of the 2021 award will be based on Adjusted EBITDA. EBITDA thresholds and targets will be set for the year ending 31 December 2023 in line with the Company's long-term business plan (MAP23).
- One-third of the 2021 award will be based on absolute Adjusted Basic EPS targets. The EPS target range for these awards will also be set for the year ending 31 December 2023 in line with the Company's long-term business plan.
- One-third of the 2021 award will be based on relative TSR measured against the constituents of the FTSE SmallCap (excluding investment trusts). 25% of this part of the award will vest for median TSR increasing pro-rata to 100% vesting for upper quartile TSR over the three years ending 31 December 2023. In addition to the TSR performance condition, the Committee will need to be satisfied that the Company's TSR performance reflects the underlying financial performance of the Company for this part of an award to vest.

The performance targets for the above awards of which the EBITDA and EPS targets are derived from the performance envisaged under the MAP23 will be disclosed in the Directors' Remuneration Report to the 2021 Annual Report, subject to any commercial sensitivity.

Fees for the Chairman and Non-Executive Directors

The fees for the Chairman and the Non-Executive Directors from 1 April 2021 are as follows:

	From 1 April 2021 £	As at 1 April 2020 £	% change
Colin Jones	100,000	100,000	0%
William Eccleshare[1]	45,000	43,775	2.8%
Carol Hosey (appointed 5 February 2020)[2]	45,000	45,000	0%
Leslie-Ann Reed (appointed 1 March 2020)[3]	45,000	45,000	0%

1 The fees for William Eccleshare were reviewed and will be bought into line with those for Carol Hosey and Leslie-Ann Reed with effect from 1 April 2021. His annual fees will be £40,000 plus £5,000 for being the Senior Independent Director.

2 Carol Hosey was appointed as Non-Executive Director on 5 February 2020. Her annual fees are £40,000 plus £5,000 for chairing the Remuneration Committee.

3 Leslie-Ann Reed was appointed as Non-Executive Director on 1 March 2020. Her annual fees are £40,000 plus £5,000 for chairing the Audit Committee.

Remuneration received by Directors for the year (audited)

Directors' remuneration for the years ended 31 December 2020 and 2019 was as follows:

		Salary and fees £	Benefits £	Bonus[1] £	Pension £	LTIP £	Total £	Total Fixed £	Total Variable £
Executive Directors									
Swagatam Mukerji	2020	320,000	3,881	61,867	19,783	–	405,531	343,664	61,867
	2019	278,177	3,660	404,426	19,783	115,195	821,241	301,620	519,621
Simon Longfield	2020	175,000	–	33,833	8,750	–	217,583	183,750	33,833
	2019	27,428	–	–	729	–	28,157	28,157	–
Non-Executive Directors									
Colin Jones[2]	2020	95,000	–	–	–	–	95,000	95,000	–
	2019	84,388	–	–	–	–	84,388	84,388	–
William Eccleshare[2]	2020	41,586	–	–	–	–	41,586	41,586	–
	2019	43,775	–	–	–	–	43,775	43,775	–
Leslie-Ann Reed[2]	2020	34,833	–	–	–	–	34,833	34,833	–
(appointed 1 March 2020)	2019	–	–	–	–	–	–	–	–
Carol Hosey[2]	2020	39,000	–	–	–	–	39,000	39,000	–
(appointed 5 February 2020)	2019	–	–	–	–	–	–	–	–
Former Directors									
Robert Boyle	2020	10,944	–	–	–	–	10,944	10,944	–
(to 31 March 2020)	2019	43,775	–	–	–	–	43,775	43,775	–
Rebecca Miskin	2020	10,944	–	–	–	–	10,944	10,944	–
(to 31 March 2020)	2019	43,775	–	–	–	–	43,775	43,775	–
Andria Vidler	2020	–	–	–	–	–	–	–	–
(to 30 September 2019)	2019	283,691	11,076	481,866	30,166	168,626	975,425	324,933	650,492
Neil Johnson	2020	–	–	–	–	–	–	–	–
(to 30 June 2019)	2019	62,500	–	–	–	–	62,500	62,500	–

Notes:

[1] The 2020 bonus amounts relate to bonuses earned in 2020 and payable in 2021 as set out on page 60.

[2] The Non-Executive Directors agreed to waive 20% of their fees for 3 months between June and August 2020.

Annual Report on Remuneration

CONTINUED

Annual bonus for the year (audited)

As previously stated, due to Covid, the 2020 Bonus Plan was revised in June 2020 as there was no reasonable possibility that the financial targets would be achieved and this portion of the bonus lapsed. The remaining 20%, originally aligned to the personal objectives, was reset as follows:

- Personal objectives 10%
- Financial objectives 10%

As such the total bonus opportunity was reduced from 100% to 20% of salary

The performance against the financial objectives was as follows:

Measure	Target	Mechanism	Result	Payable
Adjusted EBITDA (excluding the impact of IFRS 16)	£1.0m	The bonus was structured so that 10% of salary was paid over target and a pro rata bonus paid of between 0% and 10% of salary between an Adjusted EBITDA of £nil and £1.0m	£2.0m	CEO: £32,000 CFO: £17,500

The performance against the personal objectives, as determined by the Committee, was as follows:

Objective	Executive	Weighting	Performance	Payable[1]
Lead transformation of the organisation, capability and culture to enable delivery of Centaur's strategy	CEO	One–third	100%	The aggregated performance results in a bonus equivalent to 93.33% of the opportunity for both the CEO and CFO
Develop a high performing ExCo and extended leadership team	CEO	One–third	100%	
Develop KPIs to enable external and internal stakeholders to obtain insight into Centaur's performance	CFO	One–third	100%	
Develop pricing and discounting strategy for priority brands	CFO	One–third	100%	
Build strong, supportive, influential relationships with shareholders	CEO and CFO	One–third each	80%	

1 Payable: CEO: £29,867; CFO: £16,333

The Committee reviewed and discussed the achievement against the personal objectives, as part of the year-end review process, for both the CEO and CFO. Part of this review considered whether it was appropriate to make an award at all, as Centaur had been in receipt of a grant under the government's Coronavirus Job Retention Scheme (furlough). The majority of these payments received from the Government were intended to support the MarketMakers business. After several months this proved to be an unviable option, and the business was closed in August 2020. The furlough claim for the rest of the business was minimal. The Company is restoring the dividend for the year end and therefore the Committee believes it is appropriate for the Executive Directors to receive a bonus to reflect their strong performance in exceptional circumstances.

It was agreed that all personal objectives had been achieved in full, with the exception of the shared objective (bottom of the table above) which was reduced to 80% achievement, to reflect shareholder feedback, during the year.

The above performance against personal and financial objectives has resulted in the payment of a bonus of £61,867 for the CEO and £33,833 for the CFO equivalent to 19.33% of their respective annual salaries against an original bonus potential (before Covid) of 100% of salary.

Vesting of 2018 LTIP awards

With respect to the LTIP awards granted to Executive Directors (Andria Vidler and Swagatam Mukerji) in 2018 which will lapse in 2021, vesting is based 50% on EPS and 50% on relative TSR for the three-year performance period to 31 December 2020. Further details relating to these awards are provided in the table below:

Performance Condition	Weighting	Targets	Actual Outcome	Vesting
EPS	50%	0% vesting below 4.15 pence 25% vesting at 4.15 pence 100% vesting at 7.04 pence Straight–line vesting between these points	Below threshold	0%
Relative TSR vs FTSE SmallCap index (excluding investment trusts)	50%	0% vesting below median 25% vesting at median 100% vesting at upper quartile Straight–line vesting between these points	Below median	0%
Total LTIP vesting				0%

As none of the performance tests for the 2018 LTIP awards have been satisfied, awards granted under this LTIP to the Executive Directors will not vest and will lapse on the vesting date in 2021 as follows:

Director	Number of shares under award	Vesting	Number of shares vesting	Date of vesting	Market price on vesting	Value £
Andria Vidler	740,807	0%	0	6 April 2021	N/A	–
Swagatam Mukerji	506,072	0%	0	6 April 2021	N/A	–

Grant of LTIP awards in 2020

LTIP grants were made on 30 June 2020 to Swagatam Mukerji and Simon Longfield in their roles as CEO and CFO respectively over shares equal to 75% of salary with performance tests based on Adjusted Basic EPS, Group Adjusted EBITDA margin and relative TSR (each weighted one third). Details of this award are set out below:

Director	Award date	Number of shares under award	Basis	Face value of award[1]	Performance condition	Performance period
Swagatam Mukerji	30 June 2020	960,000	75% of base salary	£240,000	See below	1 January 2020 to 30 June 2023
Simon Longfield	30 June 2020	525,000	75% of base salary	£131,250	See below	1 January 2020 to 30 June 2023

1 The share price used to calculate the face value of the award was the average share price for the 5 working days prior to the date of grant.

The performance conditions for this award, including EBITDA and EPS targets derived from the first two years of the MAP23, are set out in three parts below:

Performance condition	Weighting	Measurement period	Targets	% of shares which will vest if target achieved
Adjusted Basic EPS[1]	33.3%	3 years to 31 December 2022	Threshold[2]	25%
			Top[2]	100%
			Between threshold and top	Straight-line basis between 25% and 100%
Group Adjusted EBITDA margin[2]	33.3%	3 years to 31 December 2022	Bottom %[2]	25%
			Top %[2]	100%
			Between bottom and top	Straight-line basis between 25% and 100%
Relative TSR vs FTSE SmallCap index (excluding investment trusts) at 30 June 2020[3]	33.4%	3 years to 30 June 2023	Median	25%
			Upper Quartile or above	100%
			Between Median and Upper Quartile	Pro-rata on a straight-line basis between 25% and 100%

1 Adjusted Basic EPS is defined as reported on the face of the Group's Income Statement

2 The performance targets for Adjusted Basic EPS and Adjusted EBITDA margin for the three years, derived from MAP23, are commercially sensitive and are not disclosed. They will remain commercially sensitive during the three-year period of performance until the calculation is performed and disclosed in the 2022 Annual Report.

3 The TSR element will only vest if there has been sustained improvement in the Company's underlying financial performance over the performance period. TSR is measured over the 3-year period from 1 July 2020 – 30 June 2023.

Swagatam Mukerji purchased 6,919 shares during the period under the Share Incentive Plan. The Company matched these shares on a 1 for 2 basis in accordance with the Plan rules, resulting in 3,459 matching shares being awarded in the year.

Annual Report on Remuneration

CONTINUED

Board changes and payments for loss of office (audited)

Carol Hosey was appointed as a Non-Executive Director on 5 February 2020 and Leslie-Ann Reed was appointed as a Non-Executive Director on 1 March 2020. No payments for loss of office were paid or are payable to Robert Boyle or Rebecca Miskin who both retired from the Board and committees on 31 March 2020.

Payments to past Directors (audited)

Consistent with a long-standing arrangement, Graham Sherren, former Chief Executive Officer and Chairman, was paid £3,000 during the year (2019: £3,000) for advisory services performed.

Directors' shareholding and share interests (audited)

Share ownership plays a key role in the alignment of our executives with the interests of shareholders. The Executive Directors are expected to build up and maintain a shareholding in the Company equal to 200% of salary from the date of the 2019 AGM. Where an executive does not meet this guideline, they are required to retain at least 50% of the vested shares net of tax under the Company's LTIP until the guideline is met.

The tables below set out details of Executive Directors' outstanding share awards under LTIP schemes (which will vest in future years, subject to performance and continued service). Under each scheme the exercise price is £nil.

	At 31 December 2019	Granted	Exercised[1]	Lapsed	At 31 December 2020	Date of award	Performance period	Exercise period	Share price on date of grant
Simon Longfield 2020	–	525,000	–	–	525,000	30/06/20	01/01/20 – 30/06/23	30/06/23 – 31/12/23	25.0p
	–	525,000	–	–	525,000				
Swagatam Mukerji 2017	274,273	–	274,273[1]	–	–	24/04/17	01/01/17 – 31/12/19	24/04/20 – 30/06/20	45.8p
2018[2]	506,072	–	–	–	506,072	06/04/18	01/01/18 – 31/12/20	06/04/21 – 05/10/21	50.2p
2019[2]	758,293	–	–	–	758,293	03/10/19	01/01/19 – 31/12/21	03/10/22 – 02/04/23	42.2p
2020	–	960,000	–	–	960,000	30/06/20	01/01/20 – 30/06/23	30/06/23 – 31/12/23	25.0p
	1,538,638	960,000	274,273	–	2,224,365				

[1] As disclosed in last year's Annual Report, the TSR part (50%) of the 2017 Award vested, whereas the EPS part (50%) of the 2017 Award lapsed prior to 31 December 2019. Swag Mukerji exercised 274,273 shares on 28 April 2020 and sold enough shares to pay his tax and NI, retaining 145,106 shares which are reflected in the table below.

[2] Performance conditions for LTIPs granted in 2018 and 2019 have not been adjusted and the Award granted in 2018 will lapse in 2021.

The table below sets out the number of shares held or potentially held by Directors (including their connected persons where relevant).

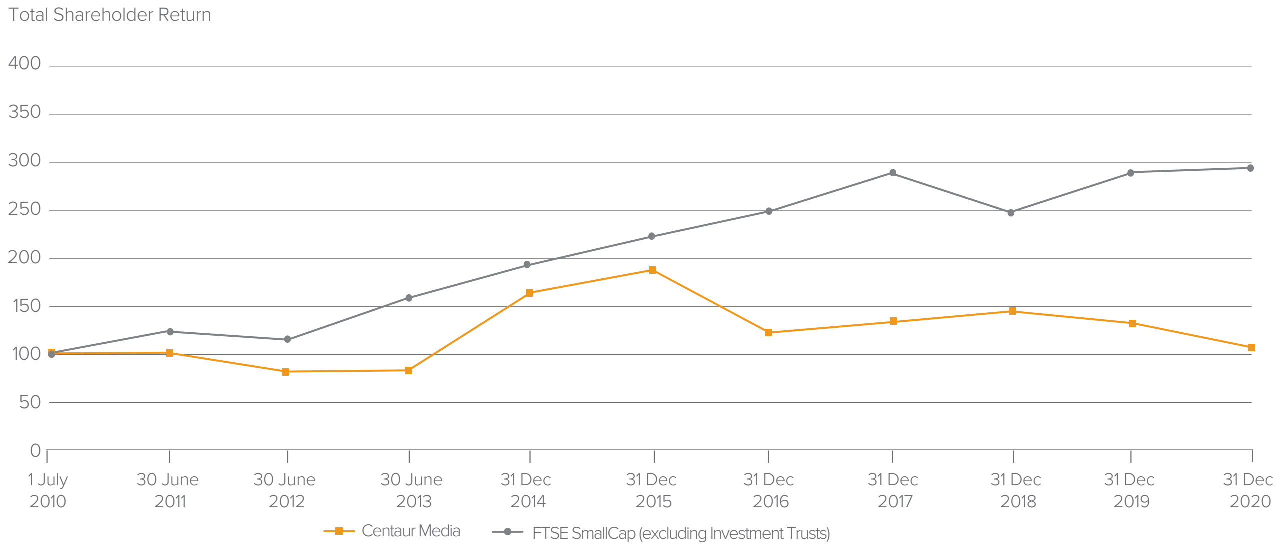
	Interests in ordinary shares		Shareholding guideline achieved?	Interests in share schemes	
	31 December 2019	31 December 2020		LTIP	Total
Executive					
Swagatam Mukerji	136,601	397,206[1]	No	2,224,365	2,621,571
Simon Longfield	34,499	72,769	No	525,000	597,769
Non-Executives					
Colin Jones	120,000	140,000	N/A	–	140,000
William Eccleshare	–	–	N/A	–	–
Carol Hosey (appointed 5 February 2020)	–	–	N/A	–	–
Leslie-Ann Reed (appointed 1 March 2020)	–	–	N/A	–	–

[1] 370,227 of these shares are held by Rina Mukerji

Performance graph

The graph below shows the TSR of Centaur Media Plc compared to the performance of the FTSE SmallCap index (excluding investment trusts) over the last ten and a half years. This comparator has been chosen on the basis that it is the index against which performance for the purpose of share awards made under the LTIP is assessed. Owing to the change to the financial year end in 2014, there was no financial year ended 30 June 2014 and, instead, TSR performance for the 18 months ended 31 December 2014 is shown.

The graph shows the value of £100 invested in Centaur Media Plc on 1 July 2010 compared with the value of £100 invested in the FTSE SmallCap index (excluding investment trusts) at each financial period end.



Source: Datastream (Thomson Reuters)

History of remuneration for the CEO

The table below sets out the CEO single figure of total remuneration over the past ten and a half years.

Period ended	CEO	Total remuneration £	Annual bonus (% of max)	Long-term incentives (% of max)
31 December 2020	Swagatam Mukerji	405,531	19	0
31 December 2019	Swagatam Mukerji (from 4 September 2019)	258,743[1]	70	N/A
	Andria Vidler (until 30 September 2019)	975,425[2]	63	50
31 December 2018	Andria Vidler	430,859	0	0
31 December 2017	Andria Vidler	558,526	37	0
31 December 2016	Andria Vidler	422,605	0	0
31 December 2015	Andria Vidler	416,607	2	N/A
31 December 2014	Andria Vidler	670,077	56	N/A
(18-month period)	(from 14 November 2013)			
30 June 2013	Geoff Wilmot	514,920	0	0
30 June 2012	Geoff Wilmot	363,321[3]	7	0
30 June 2011	Geoff Wilmot	568,673	58	0

1 Based on salary and benefits for the period from 4 September 2019 to 31 December 2019 and a pro-rated portion of the 2019 IP relating to that period. Excludes the LTIP part of his remuneration on the basis that this related to his role as CFO.

2 Based on total remuneration including salary, benefits, 2019 IP and LTIP remuneration, but excluding £392,642 contractual notice payment.

3 Excludes £384,704 termination and contractual notice payment as detailed in the 2013 Report and Accounts.

Annual Report on Remuneration
CONTINUED

Change in remuneration of the CEO, other Directors and employees

The percentage change in remuneration between 2019 and 2020, excluding LTIP and pension contributions for the CEO, CFO, Non-Executive Directors and for the average of all other employees in the Group was as follows:

	% change 2020 v 2019	
	Base salary	Taxable Benefits
Executive Directors		
Swagatam Mukerji[1]	15%	6%
Simon Longfield[2]	0%	0%
Non-Executive Directors		
Colin Jones[3]	13%	N/A
William Eccleshare	(5)%	N/A
Carol Hosey	N/A	N/A
Leslie-Ann Reed	N/A	N/A
Employee population	(11%)	(6%)

[1] This increase reflects the increase from Swagatam Mukerji's salary as CFO of £260,100 to his salary as CEO from 4 September 2019 of £320,000. There has been no increase in his salary and benefits since this date.

[2] There has been no change in Simon Longfield's salary and benefits since he joined Centaur on 6 November 2019.

[3] The increase in remuneration for Colin Jones reflects the increase in fees from £43,775 pa as Non-Executive Director to £125,000 pa on appointment as Chairman on 30 June 2019, and the subsequent reduction of 20% to £100,000 pa from 1 January 2020.

CEO pay ratio

The tables below set out a comparison of the CEO total remuneration to the equivalent remuneration of the upper quartile, median and lower quartile UK employees:

Year	Method	25th %tile pay ratio	Median pay ratio	75th %tile pay ratio
2020	Option C[1]	14:1	10:1	7:1

[1] The group has used Option C given that this method of calculation was considered to be the most efficient and robust approach in respect of gathering recent and readily available data for 2020. The annualisation of employee remuneration data for December 2020 is considered representative of the relevant quartiles.

	Salary			Total remuneration		
Year	25th %tile	Median	75th %tile	25th %tile	Median	75th %tile
2020	£28,014	£36,360	£51,000	£29,988	£40,000	£57,740

Change in remuneration of the CEO

	Base salary			Taxable benefits			Bonus		
	2020	2019[1]	% Change	2020	2019[1]	% Change	2020	2019[1]	% Change
CEO[1]	£320,000	£363,691	(12)%	£3,881	£47,105	(92)%	£61,867	£616,675	(90)%
Salaried employees[2]	£50,630	£56,994	(11)%	£2478	£2,629	(6)%	£1,395	£4,849	(71)%

[1] 2019 CEO remuneration calculated based on 9 month's salary, benefits and bonus for Andria Vidler up to the point of stepping down from the Board on 30 September 2019 and 3 month's salary, benefits and bonus for Swag Mukerji thereafter.

[2] Calculated based on average remuneration for all employees in the Group (excluding discontinued operations). Average base salaries have reduced due to a number of higher paid employees leaving the business in 2019 following the divestment and restructuring programme. Bonuses have also reduced in 2020 due to the impact of Covid.

Relative importance of the spend on pay

The following table sets out the percentage change in distributions to shareholders and employee remuneration costs.

	2020	2019	% Change
Employee remuneration costs[1]	£17.2m	£21.7m	(21)%
Dividends paid and share repurchases	£nil	£7.7m	(100)%

[1] 2019 employee costs re-presented as per note 5 of the financial statements.

Remuneration Committee

The Remuneration Committee is responsible for monitoring, reviewing and making recommendations to the Board at least annually on the broad policy for the remuneration of the Executive Directors, the Chairman, Company Secretary and management tier below the Board. It also determines their individual remuneration packages, including pension arrangements, bonuses and all incentive schemes and the determination of targets for any performance-related pay schemes operated by the Group. In addition, the Committee reviews pay and conditions across the workforce and takes this into account when considering executive remuneration. Minutes of Committee meetings are circulated to the Board once they have been approved by the Committee.

External advisors

The Remuneration Committee has access to independent advice where it considers it appropriate. During the year, the Committee sought advice relating to executive remuneration from FIT Remuneration Consultants ('FIT'), who were appointed by the Committee. The Committee is satisfied that the advice received from FIT in relation to executive remuneration matters during the year under review was objective and independent. FIT is a member of the Remuneration Consultants Group and abides by the Remuneration Consultants Group Code of Conduct. The fees charged by FIT for the year, based on time and materials, amounted to £6,888.

Statement of shareholder voting

The voting results for the Directors' Remuneration Policy (2019 AGM) and last year's Directors' Remuneration Report were as follows:

Resolution	Number of votes for (and percentage of votes cast)	Number of votes against (and percentage of votes cast)	Number of votes cast	Number of votes withheld
Approval of Directors' Remuneration Policy in 2019[1]	102,537,475 (87.8%)	14,247,400 (12.2%)	116,784,875	3,233
Approval of Directors' Remuneration Report in 2020[2]	84,799,285 (75.34%)	27,744,626 (24.66%)	112,543,911	0

1 Objections were raised by ISS to the 2019 IP, under which Andria Vidler and Swagatam Mukerji would be entitled to increased annual bonuses for one year only.

2 The votes against were largely in respect of the 2019 Incentive Plan pay-outs. This plan was put in place for Executive Directors in 2019 to reflect Centaur's strategy to simplify the business and maximise shareholder value from the divestment of non-core assets, reducing central overhead costs and achieving stretch profit and operating margin targets for the ongoing Xeim business for 2019. These were partially achieved and therefore bonuses were paid as set out in the 2019 Annual Report. The 2019 Incentive Plan was not designed to be used in subsequent years.

Approval

The Board of Directors has approved this Remuneration Committee Report, including both the Directors' Remuneration Policy and the Annual Report on Remuneration.

Signed on behalf of the Board of Directors

CAROL HOSEY
Chair of the Remuneration Committee

16 March 2021

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and IFRSs as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

By order of the Board

HELEN SILVER
Company Secretary

16 March 2021

Independent Auditor's Report

TO THE MEMBERS OF CENTAUR MEDIA PLC

Opinion

We have audited the financial statements of Centaur Media Plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated statement of comprehensive income, Consolidated and Company statement of changes in equity, Consolidated and Company statement of financial position, Consolidated and Company cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- assessing the cash flow requirements of the Group over the duration of the viability statement based on budgets and forecasts;
- understanding what forecast expenditure is committed and what could be considered discretionary;
- considering the liquidity of existing assets on the statement of financial position;
- considering the terms of the finance facilities and the amount available for drawdown; and
- considering potential downside scenarios and the resultant impact on available funds.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £175,000, based on a variety of performance based metrics, including 5% of adjusted profit before taxation and 0.5% of revenue. Materiality for the Parent Company financial statements as a whole was set at £170,000 based on a percentage of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £10,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The scope of the audit work and the design of audit tests undertaken was solely for the purposes of forming an audit opinion on the consolidated financial statements of the Group. All entities included within the scope of the consolidation were included within the scope of our audit testing.

Independent Auditor's Report

TO THE MEMBERS OF CENTAUR MEDIA PLC CONTINUED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team.

We identified going concern as a key audit matter and have detailed our response in the conclusions relating to going concern section above.

This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER
Valuation of goodwill and intangible assets The Group has a significant balance of intangible assets at 31 December 2020 and there is a risk that it could be impaired. The valuation of the recoverable amount of goodwill and intangible assets has a high degree of estimation uncertainty, with a potential range of reasonably possible outcomes greater than our materiality for the financial statements as a whole. There is significant judgement with regard to assumptions and estimates involved in forecasting future cash flows, which form the basis of the assessment of the recoverability of goodwill balances. These include forecast revenues, operating margin, long-term growth rates and the discount rate used. The financial statements disclose the sensitivity estimated by the Group.	Our procedures included: • Assessing the Group's budgeting review and approval procedures upon which the cash flow forecasts are based. • Comparing the Group's assumptions to externally derived data in relation to key inputs such as projected economic growth, market premium and discount rates. To challenge the reasonableness of the assumptions we also assessed the historical accuracy of the Group's forecasting. • Performing scenario-specific models including changes to, and breakeven analysis on, the discount rate, long-term growth rates and forecast cash flows. • Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill. We found the resulting estimate of the recoverable amount of goodwill and intangible assets to be acceptable.
Valuation of investments in the Parent Company We consider the carrying value of investments in the Group by the Parent Company and the risk over potential impairment to be a significant audit risk due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. We consider the key inputs into the impairment model to be the approved business plans and assumptions for the growth and discount rates.	Our procedures included: • Assessing the Group's budgeting review and approval procedures upon which the cash flow forecasts are based. • Comparing the Group's assumptions to externally derived data in relation to key inputs such as projected economic growth, market premium and discount rates. To challenge the reasonableness of the assumptions we also assessed the historical accuracy of the Group's forecasting. • Performing scenario-specific models including changes to, and breakeven analysis on, the discount rate, long-term growth rates and forecast cash flows. We found the resulting estimate of the recoverable amount of investments to be acceptable.
Revenue recognition Revenue is recognised in accordance with the accounting policy set out in the financial statements. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the Group's profitability, which has a consequent impact on its share price performance.	Our procedures included: • Validating that revenue is recognised in accordance with the stated accounting policies in compliance with IFRS. • Ensuring that cut off was correctly applied across all revenue streams. • Validating a sample of revenue items to confirm revenue was being recognised in line with IFRS and ensuring the services were delivered within the period. • Assessing the adequacy of the Group's disclosures related to revenue. We concluded that revenue was reasonably stated.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

The other information comprises the information included in the annual report including the Strategic and Governance reports, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the Directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified on page 42;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 30;
- Directors' statement on fair, balanced and understandable set out on page 66;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 26 to 30;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 49; and
- The section describing the work of the Audit Committee set out on pages 47 to 49.

Independent Auditor's Report

TO THE MEMBERS OF CENTAUR MEDIA PLC CONTINUED

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 66, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the Company.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant identified were the Companies Act 2006, General Data Protection Regulations and the UK Corporate Governance Code. Our work included direct enquiry of Head of Legal, reviewing Board and relevant committee minutes and inspection of correspondence.
- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas that involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.
- We used data analytic techniques to identify any unusual transactions or unexpected relationships, including considering the risk of undisclosed related party transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Audit Committee, on 10 November 2020 to audit the financial statements for the period ending 31 December 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MATTHEW STALLABRASS
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW, UK
16 March 2021

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Adjusted Results[1] 2020 £m	Adjusting Items[1] 2020 £m	Statutory Results 2020 £m	Re-presented[2] Adjusted Results[1] 2019 £m	Re-presented[2] Adjusting Items[1] 2019 £m	Re-presented[2] Statutory Results 2019 £m
Continuing operations							
Revenue	2	32.4	–	32.4	39.6	–	39.6
Other operating income	2	–	–	–	1.6	–	1.6
Net operating expenses	3	(32.4)	(2.3)	(34.7)	(42.4)	(6.6)	(49.0)
Operating profit / (loss)		–	(2.3)	(2.3)	(1.2)	(6.6)	(7.8)
Finance costs	6	(0.3)	–	(0.3)	(0.3)	–	(0.3)
Loss before tax		(0.3)	(2.3)	(2.6)	(1.5)	(6.6)	(8.1)
Taxation	7	0.6	0.3	0.9	(0.5)	1.1	0.6
Profit / (loss) for the year from continuing operations	9	0.3	(2.0)	(1.7)	(2.0)	(5.5)	(7.5)
Discontinued operations							
Profit / (loss) for the year from discontinued operations after tax	8,14	0.1	(12.8)	(12.7)	2.4	7.0	9.4
Profit / (loss) for the year attributable to owners of the parent after tax		0.4	(14.8)	(14.4)	0.4	1.5	1.9
Total comprehensive income / (loss) attributable to owners of the parent		0.4	(14.8)	(14.4)	0.4	1.5	1.9
Earnings / (loss) per share attributable to owners of the parent	9						
Basic from continuing operations		0.2p	(1.4p)	(1.2p)	(1.4p)	(3.9p)	(5.3p)
Basic from discontinued operations		0.1p	(8.9p)	(8.8p)	1.7p	4.9p	6.6p
Basic from profit / (loss) for the year		0.3p	(10.3p)	(10.0p)	0.3p	1.0p	1.3p
Fully diluted from continuing operations		0.2p	(1.4p)	(1.2p)	(1.4p)	(3.9p)	(5.3p)
Fully diluted from discontinued operations		0.1p	(8.9p)	(8.8p)	1.7p	4.9p	6.6p
Fully diluted from profit / (loss) for the year		0.3p	(10.3p)	(10.0p)	0.3p	1.0p	1.3p

[1] Adjusted results exclude adjusting items, as detailed in note 1(b)

[2] See note 1(a) for description of the prior year re-presentation

The notes on pages 78 to 119 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

Attributable to owners of the Company

	Note	Share capital £m	Own shares £m	Share premium £m	Reserve for shares to be issued £m	Deferred shares £m	Foreign currency reserve £m	Retained earnings £m	Total equity £m
At 1 January 2019		15.1	(6.9)	1.1	1.8	0.1	–	55.5	66.7
Profit for the year and total comprehensive income		–	–	–	–	–	–	1.9	1.9
Transactions with owners in their capacity as owners:									
Dividends	25	–	–	–	–	–	–	(7.1)	(7.1)
Acquisition of treasury shares	23	–	(0.6)	–	–	–	–	–	(0.6)
Exercise of share awards	24	–	0.3	–	(0.1)	–	–	(0.2)	–
Fair value of employee services	24	–	–	–	0.1	–	–	–	0.1
Foreign currency on translation		–	–	–	–	–	0.1	–	0.1
As at 31 December 2019		15.1	(7.2)	1.1	1.8	0.1	0.1	50.1	61.1
Loss for the year and total comprehensive loss		–	–	–	–	–	–	(14.4)	(14.4)
Transactions with owners in their capacity as owners:									
Exercise of share awards	24	–	1.3	–	(0.7)	–	–	(0.6)	–
Fair value of employee services	24	–	–	–	0.5	–	–	–	0.5
Lapsed share awards	23	–	–	–	(1.0)	–	–	1.0	–
As at 31 December 2020		15.1	(5.9)	1.1	0.6	0.1	0.1	36.1	47.2

The notes on pages 78 to 119 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

Attributable to owners of the Company

	Note	Share capital £m	Own shares £m	Share premium £m	Reserve for shares to be issued £m	Deferred shares £m	Retained earnings £m	Total equity £m
At 1 January 2019		15.1	(6.3)	1.1	1.8	0.1	63.4	75.2
Loss for the year and total comprehensive loss		–	–	–	–	–	(40.2)	(40.2)
Transactions with owners in their capacity as owners:								
Dividends	25	–	–	–	–	–	(7.1)	(7.1)
Exercise of share awards	24	–	–	–	(0.1)	–	(0.1)	(0.2)
Fair value of employee services	24	–	–	–	0.1	–	–	0.1
As at 31 December 2019		15.1	(6.3)	1.1	1.8	0.1	16.0	27.8
Profit for the year and total comprehensive income		–	–	–	–	–	12.2	12.2
Transactions with owners in their capacity as owners:								
Transfer of treasury shares	23	–	2.2	–	–	–	(1.6)	0.6
Exercise of share awards	24	–	–	–	(0.7)	–	0.2	(0.5)
Fair value of employee services	24	–	–	–	0.5	–	–	0.5
Lapsed share awards	23	–	–	–	(1.0)	–	1.0	–
As at 31 December 2020		15.1	(4.1)	1.1	0.6	0.1	27.8	40.6

The notes on pages 78 to 119 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2020

Registered number 04948078

	Note	31 December 2020 £m	Restated[2] 31 December 2019 £m
Non-current assets			
Goodwill	10	41.2	52.2
Other intangible assets	11	4.9	9.0
Property, plant and equipment	12	3.3	4.3
Deferred tax assets	15	2.4	1.4
Other receivables	16	0.5	0.5
		52.3	67.4
Current assets			
Trade and other receivables	16	5.8	10.3
Cash and cash equivalents	17	8.3	9.3
Current tax assets	21	0.2	0.1
		14.3	19.7
Total assets		66.6	87.1
Current liabilities			
Trade and other payables	18	(8.8)	(12.5)
Lease liabilities	19	(2.0)	(2.1)
Deferred income	20	(7.0)	(8.7)
		(17.8)	(23.3)
Net current liabilities		(3.5)	(3.6)
Non-current liabilities			
Lease liabilities	19	(1.4)	(2.2)
Provisions	22	–	(0.1)
Deferred tax liabilities	15	(0.2)	(0.4)
		(1.6)	(2.7)
Net assets		47.2	61.1
Capital and reserves attributable to owners of the Company			
Share capital	23	15.1	15.1
Own shares		(5.9)	(7.2)
Share premium		1.1	1.1
Other reserves		0.7	1.9
Foreign currency reserve		0.1	0.1
Retained earnings		36.1	50.1
Total equity		47.2	61.1

[2] See note 1(a) for description of prior year restatement

The financial statements on pages 78 to 119 were approved by the Board of Directors on 16 March 2021 and were signed on its behalf by:

SIMON LONGFIELD
Chief Financial Officer

Company Statement of Financial Position

AS AT 31 DECEMBER 2020

Registered number 04948078

	Note	31 December 2020 £m	Restated[2] 31 December 2019 £m
Non-current assets			
Investments	13	65.0	90.1
Deferred tax assets		0.1	0.1
Other receivables	16	0.2	0.3
		65.3	90.5
Current assets			
Trade and other receivables	16	35.7	0.7
		35.7	0.7
Total assets		101.0	91.2
Current liabilities			
Trade and other payables	18	(60.4)	(63.4)
		(60.4)	(63.4)
Net current liabilities		(24.7)	(62.7)
Net assets		40.6	27.8
Capital and reserves attributable to owners of the Company			
Share capital	23	15.1	15.1
Own shares		(4.1)	(6.3)
Share premium		1.1	1.1
Other reserves		0.7	1.9
Retained earnings		27.8	16.0
Total equity		40.6	27.8

[2] See note 1(a) for description of prior year restatement

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit for the year of £12.2m (2019: loss of £40.2m) includes an impairment of £25.4m (2019: £35.7m) (note 13) and dividends received from the Company's subsidiary Centaur Communications Limited of £40.0m (2019: £nil) (note 30). No dividends were paid in the year (2019: £7.1m). The other movements in retained earnings are shown in the Company's Statement of Changes in Equity.

The financial statements on pages 78 to 119 were approved by the Board of Directors on 16 March 2021 and were signed on its behalf by:

SIMON LONGFIELD
Chief Financial Officer

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Cash flows from operating activities			
Cash generated from operations	26	2.1	4.6
Tax refund		–	0.1
Net cash generated from operating activities		2.1	4.7
Cash flows from investing activities			
Cash consideration received on disposal of subsidiaries less cash and cash equivalents disposed of	14	–	18.7
Directly attributable costs of disposal of subsidiaries	14	(0.1)	(2.3)
Proceeds from disposal of intangible assets	11	0.1	–
Purchase of property, plant and equipment	12	(0.2)	(0.2)
Purchase of intangible assets	11	(0.6)	(1.4)
Acquisition of subsidiary	22	–	(0.1)
Net cash flows (used in) / generated from investing activities		(0.8)	14.7
Cash flows from financing activities			
Payment for shares bought back	23	–	(0.6)
Interest paid	6	(0.2)	(0.2)
Repayment of obligations under lease arrangements	19	(1.9)	(2.3)
Termination of finance lease	19	(0.2)	–
Dividends paid to Company's shareholders	25	–	(7.1)
Proceeds from borrowings	27	–	2.8
Repayment of borrowings	27	–	(2.8)
Net cash flows used in financing activities		(2.3)	(10.2)
Net (decrease) / increase in cash and cash equivalents		(1.0)	9.2
Cash and cash equivalents at beginning of the year		9.3	0.1
Cash and cash equivalents at end of year	17	8.3	9.3

The notes on pages 78 to 119 are an integral part of these consolidated financial statements.

Company Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Cash flows from operating activities			
Cash generated from operating activities	26	0.2	7.3
Cash flows from investing activities			
Net cash flows used in investing activities		–	–
Cash flows from financing activities			
Interest paid	6	(0.2)	(0.2)
Dividends paid to Company's shareholders	25	–	(7.1)
Proceeds from borrowings	27	–	2.8
Repayment of borrowings	27	–	(2.8)
Net cash flows used in financing activities		(0.2)	(7.3)
Net increase in cash and cash equivalents		–	–
Cash and cash equivalents at beginning of the year		–	–
Cash and cash equivalents at end of year	17	–	–

The notes on pages 78 to 119 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated and Company financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Centaur Media Plc and its subsidiaries, and the Company, Centaur Media Plc. Centaur Media Plc is a public company limited by shares and incorporated in England and Wales.

(a) Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and IFRS Interpretations Committee ('IFRS IC') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a historical cost basis except where stated otherwise within the accounting policies.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have carefully assessed the Group's ability to continue trading and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements and for the foreseeable future, being the period as discussed in the viability statement on page 30.

Net cash (see note 1(b)) at 31 December 2020 amounted to £8.3m (2019: £9.3m). In November 2018, the Group renewed its £25m multi-currency revolving credit facility with NatWest and Lloyds which was due to run to November 2021. None of this was drawn down at 31 December 2020. Our cash conversion rate for the year was 100% (2019: 100%). On 16 March 2021, the Group signed a new multi-currency revolving credit facility with NatWest that replaced the £25m facility signed with NatWest and Lloyds in 2018. The new revolving credit facility consists of a committed £10m facility and an additional uncommitted £15m accordion option, both of which can be used to cover the Group's working capital and general corporate needs. The facility runs to March 2024 with the option to extend for two periods of one year each. The covenants regarding leverage and interest cover are identical to those of the facility it replaces.

The Group has net current liabilities at 31 December 2020 amounting to £3.5m (2019: £3.6m). In both the current and prior year these primarily arose from its normal high levels of deferred income relating to performance obligations to be delivered in the future rather than an inability to service its liabilities, as deferred income will not result in a cash outflow. An assessment of cash flows for the next three financial years, which has taken into account the factors described above, has indicated an expected level of cash generation which would be sufficient to allow the Group to fully satisfy its working capital requirements and the guarantee given in respect of its UK subsidiaries, to cover all principal areas of expenditure, including maintenance, capital expenditure and taxation during this year, and to meet the financial covenants under the revolving credit facility. The Company has net current liabilities at 31 December 2020 amounting to £24.7m (2019: £62.7m). In the prior year, these almost entirely arose from unsecured payables to subsidiaries which have no fixed date of repayment. In the current year, net current liabilities are lower due to an increase in receivables from subsidiaries arising from the declaration of a dividend from the Company's subsidiary Centaur Communications Limited.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, events or actions, the actual results may ultimately differ from those estimates.

Having assessed the principal risks and the other matters discussed in connection with the Viability Statement on page 30 which considers the Group's viability over a three-year period to March 2024, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

New and amended standards adopted by the Group

No new standards or amendments to standards that are mandatory for the first time for the financial year commencing 1 January 2020 affected any of the amounts recognised in the current year or any prior year and is not likely to affect future periods.

New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1 Summary of significant accounting policies continued

Prior year re-presentation and restatements

(i) Discontinued operations

Where the requirements of IFRS 5 have been met, the operational results of subsidiaries disposed of have been presented in discontinued operations in the current period and re-presented as discontinued in the comparative period. See notes 8 and 14 for more details.

(ii) Correction of prior period accounting errors

A restatement has been made to prior year comparatives for the value of disposals of software which are presented in other intangible assets on the face of the consolidated statement of financial position. The restatement is in respect of a £0.6m gross up of the cost and accumulated amortisation of software assets with a £nil net book value that were disposed during 2019. The restatement has been reflected in note 11. As the restatement is of the same value in both cost and accumulated amortisation, there is no impact to the gain or loss on disposal reported within the consolidated statement of comprehensive income. There is also no impact to the balance of other intangible assets reported on the face of the consolidated statement of financial position. This was identified after the authorisation of the 2019 Annual Report and therefore the balances are being retrospectively restated. This restatement has no impact to periods prior to 2019.

(iii) Correction of prior period presentation errors

A restatement has been made to the prior year comparatives to split other receivables between those due within one year and those due after one year. The restatement decreased other receivables in current assets by £0.5m for the Group and £0.3m for the Company and increased the non-current assets by the same amount as detailed in note 16. On the face of the statement of financial position, trade and other receivables has reduced under current assets and other receivables has been added under non-current assets.

Comparative numbers

Certain prior year comparatives have been updated to reflect current year disclosures.

(b) Presentation of non-statutory measures

In addition to IFRS statutory measures, the Directors use various non-GAAP key financial measures to evaluate the Group's performance and consider that presentation of these measures provides shareholders with an additional understanding of the core trading performance of the Group. The measures used are explained and reconciled to their IFRS statutory headings below.

Adjusted operating profit and adjusted earnings per share

The Directors believe that adjusted results and adjusted earnings per share, split between continuing and discontinued operations, provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

Adjustments are made in respect of:

- Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its magnitude, is material and likely to be non-recurring in nature so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 4.
- Amortisation of acquired intangible assets – the amortisation charge for those acquired intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from investment activities. As such, they are not considered reflective of the core trading performance of the Group. Details of amortisation of acquired intangible assets are shown in note 11.
- Share-based payments – share-based payment expenses or credits are excluded from the adjusted results of the Group as the Directors believe that the volatility of these charges can distort the user's view of the core trading performance of the Group. Details of share-based payments are shown in note 24.
- Impairment of goodwill – the Directors believe that non-cash impairment charges in relation to goodwill are triggered by factors external to the core trading of the business, and therefore exclude any such charges from the adjusted results of the Group. Details of the goodwill impairment analysis are shown in note 10.
- Profit or loss on disposal of assets or subsidiaries – profit or loss on disposals of businesses are excluded from adjusted results of the Group as they are unrelated to core trading and can distort a user's understanding of the performance of the Group due to their infrequent and volatile nature. See note 4.
- Other separately reported items – certain other items are excluded from adjusted results where they are considered large or unusual enough to distort the comparability of core trading results year on year. Details of these separately disclosed items are shown in note 4.

The tax related to adjusting items is the tax effect of the items above that are allowable deductions for tax purposes (primarily exceptional items), calculated using the standard rate of corporation tax. See note 7 for a reconciliation between reported and adjusted tax charges.

Further details of adjusting items are included in note 4. A reconciliation between adjusted and statutory earnings per share measures is shown in note 9.

Notes to the Financial Statements

CONTINUED

1 Summary of significant accounting policies continued

Loss before tax reconciles to adjusted operating profit / (loss) as follows:

	Note	2020 £m	Re-presented[2] 2019 £m
Loss before tax		(2.6)	(8.1)
Adjusting items:			
Exceptional operating costs	4	0.2	4.7
Amortisation of acquired intangible assets	11	1.5	1.7
Share-based payment expense	24	0.5	0.1
Loss on disposal intangible assets	11	0.1	–
Loss on disposal of subsidiary (Venture Business Research Limited)	14	–	0.1
Adjusted loss before tax		(0.3)	(1.5)
Finance costs	6	0.3	0.3
Adjusted operating profit / (loss)		–	(1.2)

[2] See note 1(a) for description of the prior year re-presentation

Adjusted operating cash flow

Adjusted operating cash flow is not a measure defined by IFRS. It is defined as cash flow from operations excluding the impact of adjusting items, which are defined above, and including capital expenditure. The Directors use this measure to assess the performance of the Group as it excludes volatile items not related to the core trading of the Group and includes the Group's management of capital expenditure. Statutory cash flow from operations reconciles to adjusted operating cash as below:

	Note	2020 £m	2019 £m
Reported cash flow from operating activities	26	2.1	4.6
Adjusting items from operations		1.0	4.8
Working capital impact of adjusting items from operations		3.4	(2.1)
Adjusted operating cash flow		6.5	7.3
Capital expenditure		(0.8)	(1.6)
Post capital expenditure cash flow		5.7	5.7

Underlying revenue growth

The Directors review underlying revenue growth in order to allow a like for like comparison of revenues between years. Underlying revenues therefore exclude the impact of revenue contribution arising from acquired or disposed businesses and other revenue streams that are not expected to be ongoing in future years.

Statutory revenue growth reconciles to underlying revenue growth as follows:

	Xeim £m	The Lawyer £m	Total £m
Reported revenue 2019	31.4	8.2	39.6
Disposed business – Venture Business Research ('VBR')	–	(0.1)	(0.1)
Closed event – Marketing Week Live	(1.1)	–	(1.1)
Underlying revenue 2019	30.3	8.1	38.4
Reported revenue 2020	26.0	6.4	32.4
Underlying revenue 2020	26.0	6.4	32.4
Reported revenue growth	(17)%	(22)%	(18)%
Underlying revenue growth	(14)%	(21)%	(16)%

1 Summary of significant accounting policies continued

Adjusted EBITDA

Adjusted EBITDA is not a measure defined by IFRS. It is defined as adjusted operating profit before depreciation and impairment of tangible assets and amortisation and impairment of intangible assets other than those acquired through a business combination. It is used by the Directors as a measure to review performance of the Group and forms the basis of some of the Group's financial covenants under its revolving credit facility. Adjusted EBITDA is calculated as follows:

	Note	2020 £m	Re-presented[2] 2019 £m
Adjusted operating profit / (loss) (as above)		–	(1.2)
Depreciation of property, plant and equipment	12	2.0	2.0
Impairment of property, plant and equipment	12	–	0.4
Amortisation of computer software	11	1.8	2.5
Impairment of computer software	11	–	0.3
Adjusted EBITDA		3.8	4.0

[2] See note 1(a) for description of the prior year re-presentation

Net cash / (debt)

Net cash/(debt) is not a measure defined by IFRS. Net cash/(debt) is calculated as cash less overdrafts and bank borrowings under the Group's financing arrangements. The Directors consider the measure useful as it gives greater clarity over the Group's liquidity as a whole.

Net cash consists entirely of cash and cash equivalents as overdrafts and bank borrowings are £nil as at 31 December 2020 (2019: £nil). Refer to note 17.

(c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of Centaur Media Plc and all of its subsidiaries after elimination of intercompany transactions and balances.

(i) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that the Group ceases to control them. In the statement of comprehensive income, the results of subsidiaries for which control has ceased are presented separately as discontinued operations in the year in which they have been disposed of and in the comparative year.

On the disposal of a subsidiary, assets and liabilities of that subsidiary are de-recognised from the consolidated statement of financial position, earnings up to the date of loss of control are retained in the Group, and a profit/(loss) on disposal is recognised measured as consideration received less the fair value of assets and liabilities disposed of.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the Group and Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the consolidated statement of comprehensive income.

(iii) Group companies

The results and financial position of the Group entities that have a functional currency different from the presentation currency, as disclosed in note 13, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Notes to the Financial Statements

CONTINUED

1 Summary of significant accounting policies continued

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are recognised in other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the transaction price, which is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer. Judgement may arise in timing and allocation of transaction price when there are multiple performance obligations in one contract. However, an annual impact assessment is performed which has confirmed that the impact is immaterial in both the current year and comparative year. Revenue arises from the sale of premium content, marketing services, training and advisory, events, marketing solutions, recruitment advertising, and telemarketing services in the normal course of business, net of discounts and value added tax. Goods and services exchanged as part of a barter transaction are recognised in revenue at the fair value of the goods and services provided. Returns, refunds and other similar allowances, which have historically been low in volume and immaterial in magnitude, are accounted for as a reduction in revenue as they arise.

Where revenue is deferred it is held as a balance in deferred income on the consolidated statement of financial position. At any given balance date, this deferred income is current in nature and is expected to be recognised wholly in revenue in the following financial year, with the exception of returns and credit notes, which have historically been low in volume and immaterial in magnitude.

Additionally, in the current year, deferred income held in a subsidiary at the point of its disposal will not have been recognised in revenue for the Group for the year.

The Group recognises revenue earned from contracts as individual performance obligations are met, on a stand-alone selling price basis. This is when value and control of the product or service has transferred, being when the product is delivered to the customer or the period in which the services are rendered as set out in more detail below.

Premium Content

Revenue from subscriptions is deferred and recognised on a straight-line basis over the subscription period reflecting the continuous provision of paid content services over this time. Revenue from individual publication sales is recognised at the point at which the publication is delivered to the customer. In general, the Group bills customers for premium content at the start of the contract.

Marketing Services

Revenue from campaign work and consultancy contracts is recognised when the Group has obtained the right to consideration in exchange for its performance, which is when a separately identifiable phase (milestone) of a contract has been completed and the value and benefit of the services rendered have been transferred to the customer. In general, the Group bills customers for marketing services up front on a milestone basis.

Training and Advisory

Revenue from training and advisory is deferred and recognised over the period of the training or when a separately identifiable milestone of a contract has been delivered to the customer. In general, the Group bills customers for training and advisory up front or on a milestone basis as the service is delivered.

Events

Consideration received in advance for events is deferred and revenue is recognised at the point in time at which the event takes place. In general, the Group bills customers for events before the event date.

Marketing Solutions

Marketing solutions revenue from display and bespoke campaigns is recognised over the period that the service is provided. In general, the Group bills customers for marketing solutions on delivery.

Recruitment Advertising

Sales of online recruitment advertising space are recognised in revenue over the period during which the advertisements are placed. Sales of recruitment advertising space in publications are recognised at the point at which the publication occurs. In general, the Group bills customers for recruitment advertising on delivery.

Telemarketing Services

Revenue from telemarketing services was deferred and recognised over the period that the service was delivered generally according to the number of hours expended as a proportion of the total hours contracted. In general, the Group billed customers for telemarketing services in advance. All revenue from telemarketing services ceased during the year following the closure of the MarketMakers' telemarketing business in August 2020 and is therefore presented within discontinued operations.

1 Summary of significant accounting policies continued

(f) Other operating income

Other operating income includes income from all other operating activities which are not related to the principal activities of the Group.

Included in other operating income is rental income and transitional services agreement income.

Rental income is for the sub-lease of properties under lease, which is recognised on a straight-line basis over the lease term using the exemption available for short-term leases under IFRS 16, see note 1(j). All arrangements in which the Group sub-leased properties under lease ceased during the prior year.

Transitional services agreement income relates to services provided to the buyers of the Group companies disposed of during 2019, which is recognised at the point in time at which the service is delivered. The costs associated with this income are included within net operating expenses on the consolidated statement of comprehensive income. All transitional services agreements ceased during the prior year.

(g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants are recognised in the profit or loss and deducted from the related expense within net operating expenses in the consolidated statement of comprehensive income. Note 3 provides further information on how the Group accounts for government grants.

(h) Investments

In the Company's financial statements, investments in subsidiaries are stated at cost less provision for impairment in value.

Investments are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the investments fair value less cost of disposal and its value-in-use. An asset's value-in-use is calculated by discounting an estimate of future cash flows by the pre-tax weighted average cost of capital. Any impairment is recognised in the statement of comprehensive income. If there has been a change in the estimates used to determine the investment's recoverable amount, impairment losses that have been recognised in prior periods may be reversed. This reversal is recognised in the statement of comprehensive income.

(i) Income tax

The tax expense represents the sum of current and deferred tax.

Current tax is based on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further includes items that are never taxable or deductible. The Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance date.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available to utilise those temporary differences and losses. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the enacted or substantively enacted tax rates that are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax is charged or credited to the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is recognised in other comprehensive income.

(j) Leases

Lessee accounting

Under IFRS 16, leases are accounted for on a 'right-of-use model' reflecting that, at the commencement date, the Group as a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term. The financial obligation is recognised as a lease liability, and the right to use the underlying asset is recognised as a right-of-use ('ROU') asset. The ROU assets are recognised within property, plant and equipment on the face of the consolidated statement of financial position and are presented separately in note 12.

The lease liability is initially measured at the present value of the lease payments using the rate implicit in the lease or, where that cannot be readily determined, the incremental borrowing rate. Subsequently the lease liability is measured at amortised cost, with interest increasing the carrying amount and lease payments reducing the carrying amount. The carrying amount is remeasured to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Notes to the Financial Statements
CONTINUED

1 Summary of significant accounting policies continued

The ROU asset is initially measured at cost which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- an estimate of costs to be incurred at the end of the lease term.

Subsequently the ROU asset is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost on a straight line-basis over the lease term.

Using the exemption available under IFRS 16 the Group elects not to apply the requirements above to:

- short-term leases; and
- leases for which the underlying asset is of a low value.

In these cases, the Group recognises the lease payments as an expense on a straight-line basis over the lease term, or another systematic basis if that basis is more representative of the agreement.

Lessor accounting

The Group had contracts for the sub-lease of areas of its Wells Street property lease. These arrangements were exempt from the requirements of IFRS 16 under the short-term lease exemption as they all had a lease term of under twelve months from the date of transition. As such, the income derived from these sub-leasing arrangements is recognised on a straight-line basis and is presented in the consolidated statement of comprehensive income in ‘other operating income’. All arrangements in which the Group acted as a lessor ceased during the prior year.

(k) Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset’s fair value less cost of disposal and its value-in-use. An asset’s value in use is calculated by discounting an estimate of future cash flows by the pre-tax weighted average cost of capital.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Work in progress comprises costs incurred relating to publications and exhibitions prior to the publication date or the date of the event. Cost is measured as all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

(m) Property, plant and equipment

See note 1(j) for right-of-use assets. All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. The historical cost of property, plant and equipment is the purchase cost together with any incidental direct costs of acquisition. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight line-basis over the expected useful economic lives to the Group over the following periods:

Leasehold improvements	– 10 years or the expected length of the lease if shorter
Fixtures and fittings	– 5 to 10 years
Computer equipment	– 3 to 5 years
Right-of-use assets	– over the lease term

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

(n) Intangible assets

(i) Goodwill

Where the cost of a business acquisition exceeds the fair values attributable to the separable net assets acquired, the resulting goodwill is capitalised and allocated to the cash-generating unit (‘CGU’) or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill has an indefinite useful life and is tested for impairment annually on a Group level or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Each segment is deemed to be a CGU. Goodwill and acquired intangible assets are assessed for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill and acquired intangible assets is required, the carrying value of the segment is compared with its recoverable amount. Recoverable amount is measured as the higher of fair value less cost of disposal and value-in-use. Any impairment is recognised in the consolidated statement of comprehensive income (in net operating expenses) and is classified as an adjusting item. Impairment of goodwill is not subsequently reversed.

On the disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1 Summary of significant accounting policies continued

(ii) Brands and publishing rights, customer relationships and non-compete arrangements

Separately acquired brands and publishing rights are shown at historical cost. Brands and publishing rights, customer relationships and non-compete arrangements acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Software

Computer software that is not integral to the operation of the related hardware is carried at cost less accumulated amortisation. Costs associated with the development of identifiable and unique software products controlled by the Group that will generate probable future economic benefits in excess of costs are recognised as intangible assets when the criteria of IAS 38 'Intangible Assets' are met. They are carried at cost less accumulated amortisation and impairment losses.

(iv) Amortisation methods and periods

Amortisation is calculated to write off the cost or fair value of intangible assets on a straight-line basis over the expected useful economic lives to the Group over the following periods:

Computer software	– 3 to 5 years
Brands and publishing rights	– 5 to 20 years
Customer relationships	– 3 to 10 years or over the term of any specified contract
Separately acquired websites and content	– 3 to 5 years

(o) Employee benefits

(i) Post-employment obligations

The Group and Company contribute to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions to defined contribution schemes are charged to the statement of comprehensive income in net operating expenses when employer contributions become payable.

(ii) Share-based payments

The Group operates a number of equity-settled share-based compensation plans for its employees. The fair value of the share-based compensation expense is estimated using either a Monte Carlo (stochastic model) or Black-Scholes option pricing model and is recognised in the consolidated statement of comprehensive income over the vesting period with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awards granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets, cash flow performance and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting year, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. The Company issues new shares or transfers shares from treasury shares to settle share-based compensation awards.

The award by the Company of share-based compensation awards over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution only if it is left unsettled. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

A deferred tax asset is recognised on share options based on the intrinsic value of the options, which is calculated as the difference between the fair value of the shares under option at the reporting date and exercise price of the share options. The deferred tax asset is utilised when the share options are exercised or released when share options lapse.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the obligation can be reliably estimated.

Notes to the Financial Statements
CONTINUED

1 Summary of significant accounting policies continued

(q) Equity

(i) Share capital and share premium

Ordinary and deferred shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is recognised in the share premium account. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buyback or share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by the Centaur Employees' Benefit Trust are disclosed as treasury shares and deducted from equity.

(ii) Own shares

Own shares consist of treasury shares and shares held within an employee benefit trust. The Company has an employee benefit trust for the granting of shares to applicable employees.

Own shares are recognised at cost as a deduction from equity shareholders' funds. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sale proceeds and the original cost being taken to retained earnings. No gain or loss is recognised in the financial statements on transactions in treasury shares.

(r) Dividends

Dividends are recognised in the year in which they are paid or, in respect of the Company's final dividend for the year, approved by the shareholders in the Annual General Meeting.

(s) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Executive Committee has been identified as the chief operating decision-maker, reviewing the Group's internal reporting on a monthly basis in order to assess performance and allocate resources. Refer to note 2 for the basis of segmentation.

(t) Financial instruments

The Group has applied IFRS 9 'Financial Instruments' as outlined below:

(i) Financial assets

The Group classifies and measures its financial assets in line with one of the three measurement models under IFRS 9: at amortised cost, fair value through profit or loss, and fair value through other comprehensive income. Management determines the classification of its financial assets based on the requirements of IFRS 9 at initial recognition.

They are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. The Group's financial assets comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Please see the following sections.

(ii) Trade receivables

Trade receivables are accounted for under IFRS 9, being recognised initially at fair value and subsequently at amortised cost less any allowance for expected lifetime credit losses under the 'expected credit loss' model. As mandated by IFRS 9, the expected lifetime credit losses are calculated using the 'simplified' approach.

A provision matrix is used to calculate the allowance for expected lifetime credit losses on trade receivables which is based on historical default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. The allowance for expected lifetime credit losses is established by considering, on a discounted basis, the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying those shortfalls by the probability of each scenario occurring. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The allowance is the sum of these probability weighted outcomes. The allowance and any changes to it are recognised in the consolidated statement of comprehensive income within net operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against net operating expenses in the consolidated statement of comprehensive income. The Group defines a default as failure of a debtor to repay an amount due as this is the time at which our estimate of future cash flows from the debtor is affected.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits repayable on demand or maturing within three months from the date of acquisition.

(iv) Financial liabilities

Debt and trade payables are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost.

Interest expense on debt is accounted for using the effective interest method and is recognised in finance costs.

1 Summary of significant accounting policies continued

(v) Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(vi) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred and carried subsequently at amortised cost. Costs of borrowings, including commitment fees on undrawn facilities, are recognised in the consolidated statement of comprehensive income as incurred or, where appropriate, across the term of the related borrowing.

(vii) Receivables from and payables to subsidiaries
The Company has amounts receivable from and payable to subsidiaries which are recognised at fair value. Amounts receivable from subsidiaries are assessed annually for recoverability under the requirements of IFRS 9.

(u) Key accounting assumptions, estimates and judgements
The preparation of financial statements under IFRS requires the use of certain key accounting assumptions and requires management to exercise its judgement and to make estimates. The areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

(i) Carrying value of goodwill, other intangible assets and Company investment estimate
In assessing whether goodwill, other intangible assets and the Company's investment are impaired, the Group uses a discounted cash flow model which includes forecast cash flows and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairments may be triggered. A sensitivity analysis has been performed on the value-in-use calculations. Further details of the assumptions and sensitivities in the discounted cash flow model are included in notes 10 and 13.

Intangible assets arising on business combinations are identified based on the Group's understanding of the acquired business and previous experience of similar businesses. Consistent methods of valuation for similar types of intangible asset are applied where possible and appropriate, using information reviewed at Board level where available. Discount rates applied in calculating the values of intangible assets arising on the acquisition of subsidiaries are calculated specifically for each acquisition and adjusted to reflect the respective risk profile of each individual asset based on the Group's past experience of similar assets.

(ii) Recoverability of trade receivables estimate
The allowance for expected lifetime credit losses for trade receivables is calculated in line with IFRS 9. This is established by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Further details about trade receivables are included in note 16 and information about the credit risk and expected lifetime credit losses are shown in note 27.

(iii) Share-based payments estimate
The fair value of the share-based compensation expense recognised in the consolidated statement of comprehensive income requires the use of estimates. Details regarding the determination of fair value of these costs are set out in note 1(o)(ii).

(iv) Valuation of intangibles estimate
Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life. The Group has separately recognised computer software, brands and customer relationships in the acquisitions made (see note 11).

The fair value of these acquired intangibles is based on valuation techniques that require inputs based on assumptions about the future and estimates related to current market conditions.

The Group also makes assumptions about the useful life of the acquired intangibles as outlined in note 1(n)(iv).

(v) Deferred tax judgement and estimate
The calculation of deferred tax assets and liabilities requires judgement. Where the ultimate tax treatment is uncertain, the Group recognises deferred tax assets and liabilities based on an estimate of future taxable income and recoverability. Where a change in circumstances occurs, or the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change, or outcome, is known. The accounting policy regarding deferred tax is set out above in note 1(i).

(vi) Adjusting items judgement
The term 'adjusted' is not a defined term under IFRS. Judgement is required to ensure that the classification and presentation of certain items as adjusting, including exceptional items, is appropriate and consistent with the Group's accounting policy. Further details about the amounts classified as adjusting are included in notes 1(b) and 4.

(vii) IFRS 16 reassessment of lease term judgement
Leases are required to be recognised at the present value of the lease payments not yet paid for the duration of the lease term. The lease term is defined by IFRS 16 as the non-cancellable period of the lease, and any period covered by an option to extend or terminate that the lessee is reasonably certain to exercise. The assessment of the lease term requires judgement when considering the option to extend or terminate in a contract.

During the year, one of the Group's property leases has been remeasured upon reassessment of the lease term, where a judgement has been taken that an option to extend will be exercised. The remeasurement of the lease, and the corresponding adjustment to the ROU asset are presented in notes 19 and 12 respectively.

Notes to the Financial Statements

CONTINUED

2 Segmental reporting

The Group is organised around two reportable market-facing segments: Xeim and The Lawyer. These two segments derive revenues from a combination of premium content, marketing services, training and advisory, events, marketing solutions and recruitment advertising. Overhead costs are allocated to these segments on an appropriate basis, depending on the nature of the costs, including in proportion to revenues or headcount. Corporate income and costs have been presented separately as 'Central'. The Group believes this is the most appropriate presentation of segmental reporting for the user to understand the core operations of the Group. There is no inter-segmental revenue.

Segment assets consist primarily of property, plant and equipment, intangible assets (including goodwill) and trade receivables. Segment liabilities comprise trade payables, accruals and deferred income.

Corporate assets and liabilities primarily comprise property, plant and equipment, intangible assets, current and deferred tax balances, cash and cash equivalents, borrowings and lease liabilities.

Capital expenditure comprises additions to property, plant and equipment, intangible assets and includes additions resulting from acquisitions through business combinations.

2020	Note	Xeim £m	The Lawyer £m	Core operations £m	Central £m	Continuing operations £m	Discontinued operations £m	Group £m
Revenue		26.0	6.4	32.4	–	32.4	3.6	36.0
Other operating income		–	–	–	–	–	–	–
Adjusted operating profit / (loss)	1(b)	1.9	1.4	3.3	(3.3)	–	–	–
Exceptional operating costs	4	(0.2)	(0.1)	(0.3)	0.1	(0.2)	(0.9)	(1.1)
Amortisation of acquired intangibles	11	(1.5)	–	(1.5)	–	(1.5)	(0.4)	(1.9)
Share-based payments	24	(0.3)	–	(0.3)	(0.2)	(0.5)	–	(0.5)
Loss on disposal of assets and liabilities	11	–	–	–	(0.1)	(0.1)	(0.7)	(0.8)
Impairment of goodwill	10	–	–	–	–	–	(11.0)	(11.0)
Operating profit / (loss)		(0.1)	1.3	1.2	(3.5)	(2.3)	(13.0)	(15.3)
Finance costs	6					(0.3)	–	(0.3)
(Loss) / profit before tax						(2.6)	(13.0)	(15.6)
Taxation	7					0.9	0.3	1.2
(Loss) / profit for the year						(1.7)	(12.7)	(14.4)
Segment assets		40.6	17.7	58.3	–	58.3	–	58.3
Corporate assets					8.3	8.3	–	8.3
Consolidated total assets						66.6	–	66.6
Segment liabilities		(13.8)	(3.1)	(16.9)	–	(16.9)	(0.3)	(17.2)
Corporate liabilities					(2.2)	(2.2)	–	(2.2)
Consolidated total liabilities						(19.1)	(0.3)	(19.4)
Other items								
Capital expenditure (tangible and intangible assets)		0.2	–	0.2	0.5	0.7	0.1	0.8

2 Segmental reporting continued

Re-presented[2] 2019	Note	Xeim £m	The Lawyer £m	Core operations £m	Central £m	Continuing operations £m	Discontinued operations £m	Group £m
Revenue		31.4	8.2	39.6	–	39.6	16.3	55.9
Other operating income		–	–	–	1.6	1.6	–	1.6
Adjusted operating profit / (loss)	1(b)	4.0	2.3	6.3	(7.5)	(1.2)	3.0	1.8
Exceptional operating costs	4	(0.5)	(1.0)	(1.5)	(3.2)	(4.7)	(0.1)	(4.8)
Amortisation of acquired intangibles	11	(1.7)	–	(1.7)	–	(1.7)	(0.8)	(2.5)
Share-based payments	24	–	–	–	(0.1)	(0.1)	–	(0.1)
Loss on disposal of subsidiary	14	–	(0.1)	(0.1)	–	(0.1)	–	(0.1)
Profit on disposal of subsidiaries	14	–	–	–	–	–	7.8	7.8
Operating profit / (loss)		1.8	1.2	3.0	(10.8)	(7.8)	9.9	2.1
Finance costs	6					(0.3)	–	(0.3)
(Loss) / profit before tax						(8.1)	9.9	1.8
Taxation	7					0.6	(0.5)	0.1
(Loss) / profit for the year						(7.5)	9.4	1.9
Segment assets		55.5	18.7	74.2	–	74.2	2.3	76.5
Corporate assets					10.6	10.6	–	10.6
Consolidated total assets						84.8	2.3	87.1
Segment liabilities		(14.8)	(3.8)	(18.6)	–	(18.6)	(2.6)	(21.2)
Corporate liabilities					(4.8)	(4.8)	–	(4.8)
Consolidated total liabilities						(23.4)	(2.6)	(26.0)
Other items								
Capital expenditure (tangible and intangible assets)		0.7	0.1	0.8	0.6	1.4	0.1	1.5

[2] See note 1(a) for description of the prior year re-presentation

Supplemental Information

Revenue by Geographical Location

The Group's revenues from continuing operations from external customers by geographical location are detailed below:

	Xeim 2020 £m	The Lawyer 2020 £m	Total 2020 £m	Re-presented[2] Xeim 2019 £m	The Lawyer 2019 £m	Re-presented[2] Total 2019 £m
United Kingdom	17.2	5.2	22.4	23.4	6.6	30.0
Europe (excluding United Kingdom)	2.5	0.6	3.1	2.6	0.9	3.5
North America	4.1	0.4	4.5	4.4	0.4	4.8
Rest of world	2.2	0.2	2.4	1.0	0.3	1.3
	26.0	6.4	32.4	31.4	8.2	39.6

[2] See note 1(a) for description of the prior year re-presentation

Substantially all of the Group's net assets are located in the United Kingdom. The Directors therefore consider that the Group currently operates in a single geographical segment, being the United Kingdom. Refer to note 13 for the location of the Group's subsidiaries.

Notes to the Financial Statements
CONTINUED

2 Segmental reporting continued

Revenue by type

The Group's revenue from continuing operations by type is as follows:

	Xeim 2020 £m	The Lawyer 2020 £m	Total 2020 £m	Re-presented[2] Xeim 2019 £m	The Lawyer 2019 £m	Re-presented[2] Total 2019 £m
Premium Content	9.5	3.7	13.2	10.9	3.5	14.4
Marketing Services	2.9	–	2.9	4.3	–	4.3
Training and Advisory	8.5	–	8.5	7.6	–	7.6
Events	1.6	0.9	2.5	4.3	2.1	6.4
Marketing Solutions	3.3	0.9	4.2	3.5	1.1	4.6
Recruitment Advertising	0.2	0.9	1.1	0.8	1.5	2.3
	26.0	6.4	32.4	31.4	8.2	39.6

2 See note 1(a) for description of the prior year re-presentation

The accounting policies for each of these revenue streams is disclosed in note 1(e), including the timing of revenue recognition. There are some contracts for which revenue has not yet been recognised and is being held in deferred income, see note 20. This deferred income is all current and is expected to be recognised as revenue in 2021.

Other operating income

The Group's other operating income from continuing operations by type is as follows:

	2020 £m	2019 £m
Sale of goods and services		
Rental income	–	0.8
Transitional services agreement income	–	0.8
	–	1.6

Rental income in the prior year related to the sublease of part of the Group's rented property in London. This property was vacated in December 2019.

Transitional services agreement income in the prior year related to services provided to the buyers of the Group companies disposed of in 2019. All transitional services agreements ceased in 2019.

3 Net operating expenses

Continuing operating profit / (loss) is stated after charging:

	Note	Adjusted Results[1] 2020 £m	Adjusting Items[1] 2020 £m	Statutory Results 2020 £m	Re-presented[2] Adjusted Results[1] 2019 £m	Re-presented[2] Adjusting Items[1] 2019 £m	Re-presented[2] Statutory Results 2019 £m
Employee benefits expense	5	17.2	0.2	17.4	20.7	3.4	24.1
Government grants		(0.3)	–	(0.3)	–	–	–
Net employee benefits expense		16.9	0.2	17.1	20.7	3.4	24.1
Depreciation of property, plant and equipment	12	2.0	–	2.0	2.0	–	2.0
Impairment of property, plant and equipment	12	–	–	–	0.4	–	0.4
Loss on disposal of assets and liabilities	11,12,19	–	0.1	0.1	–	–	–
Amortisation of intangible assets	11	1.8	1.5	3.3	2.5	1.7	4.2
Impairment of intangible assets	11	–	–	–	0.3	–	0.3
Loss on disposal of subsidiary[3]	4	–	–	–	–	0.1	0.1
Other exceptional operating costs	4	–	–	–	–	1.3	1.3
Impairment of trade receivables	27	0.3	–	0.3	–	–	–
Share-based payment expense	24	–	0.5	0.5	–	0.1	0.1
IT expenditure		2.5	–	2.5	2.9	–	2.9
Other staff related costs		0.7	–	0.7	2.3	–	2.3
Marketing expenditure		0.7	–	0.7	1.6	–	1.6
Other operating expenses		7.5	–	7.5	9.7	–	9.7
		32.4	2.3	34.7	42.4	6.6	49.0
Cost of sales		10.7	–	10.7	17.1	–	17.1
Distribution costs		0.1	–	0.1	0.1	–	0.1
Administrative expenses		21.6	2.3	23.9	25.2	6.6	31.8
		32.4	2.3	34.7	42.4	6.6	49.0

1 Adjusted results exclude adjusting items, as detailed in note 1(b)

2 See note 1(a) for description of the prior year re-presentation

3 Loss on disposal of subsidiary (Venture Business Research Limited)

Government grants

The Group applied for government grants of £0.8m relating to the current year for furloughed employees based at both the London and Portsmouth offices (2019: £nil). This was received in full during the year. Government grants have been deducted from the related employee benefit expenses and presented within net operating expenses in the consolidated statement of comprehensive income.

The government grants in continuing operations is £0.3m (2019: £nil) and in discontinued operations is £0.5m (2019: £nil).

Notes to the Financial Statements

CONTINUED

3 Net operating expenses continued

Property costs

Property costs have been grouped in other costs as they are no longer significant following the transition to IFRS 16.

Services provided by the Company's auditors

	2020 £'000	2019 £'000
Fees payable to the Company's auditors for the audit of the Company and consolidated financial statements	105	–
Fees payable to the Company's predecessor auditors for the audit of the Company and consolidated financial statements	31	238
Fees payable to the Company's predecessor auditors and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	–	44
Total audit fees	136	282
Audit related assurance services provided by the predecessor auditors	50	22
Total non-audit fees	50	22
Total fees	186	304

Fees payable to the Company's predecessor auditors for the audit of the Company and consolidated financial statements include non-recurring fees of £31,000 (2019: £72,000).

Prior year fees payable to the Company's predecessor auditors for the audit of the Company's subsidiaries relates to Market Makers Incorporated Limited and includes £14,000 included in discontinued operations.

4 Adjusting items

As discussed in note 1(b), certain items are presented as adjusting. These are detailed below:

	Note	2020 £m	Re-presented[2] 2019 £m
Continuing operations			
Exceptional operating costs:			
Staff related restructuring costs (including external employment advice costs)	5	0.2	2.5
Divestment programme related costs		–	2.2
Exceptional operating costs		0.2	4.7
Amortisation of acquired intangible assets	11	1.5	1.7
Share-based payment expense	24	0.5	0.1
Loss on disposal of assets and liabilities	11,12,19	0.1	–
Loss on disposal of subsidiary	8,14	–	0.1
Adjusting items to profit before tax		2.3	6.6
Tax relating to adjusting items	7	(0.3)	(1.1)
Total adjusting items after tax for continuing operations		2.0	5.5
Discontinued operations			
Profit on disposal of subsidiaries	8,14	–	(7.8)
Exceptional costs	8, 22	0.9	0.1
Impairment of goodwill	10	11.0	–
Amortisation of acquired intangible assets	11	0.4	0.8
Loss on disposal of assets and liabilities	11,12,19	0.7	–
Tax relating to adjusting items	7	(0.2)	(0.1)
Total adjusting items after tax for discontinued operations		12.8	(7.0)
Total adjusting items after tax		14.8	(1.5)

[2] See note 1(a) for description of the prior year re-presentation

4 Adjusting items continued

Exceptional costs

Staff related restructuring costs (including external employment advice costs)

In the current year staff related restructuring costs of £0.8m in discontinued operations related to restructuring of the MarketMakers business and £0.2m in continuing operations related to restructuring parts of the wider Centaur Group due to the adverse impact of Covid. Refer to note 22 for further details.

In the prior year staff related restructuring costs of £2.4m in continuing operations and £0.1m in discontinued operations related to the Group's cost reduction plan following the completion of the divestment programme in 2019. There were also £0.1m of costs related to external employment advice in continuing operations.

Divestment programme related costs

In the prior year, divestment programme related costs included professional fees incurred related to the sales process for The Lawyer of £1.2m and management incentives of £1.0m related to that programme. These management incentives sit in employee benefits expense in note 3 along with staff related restructuring costs (excluding external employment advice costs).

Other exceptional costs

In the current year, £0.1m in discontinued operations related to the exit of the Portsmouth lease upon cessation of MarketMakers' telemarketing business. Refer to further details in note 22.

Other adjusting items

Other adjusting items relate to the amortisation of acquired intangible assets (see note 11) and share-based payment costs (see note 24) as well as the items discussed below:

Goodwill impairment

An impairment of £11.0m against goodwill relating to the MarketMakers business was recognised in the current year. There were no impairments recognised in the prior year. See note 10 for further details.

Loss on disposal of assets and liabilities

In the current year the loss on disposal of assets and liabilities in continuing operations of £0.1m consists of a loss on disposal of software assets of £0.1m (see note 11), a loss on disposal of computer equipment of £0.1m (see note 12), a loss on disposal of the MarketMakers ROU asset of £0.1m (see note 12) which represented the proportion of the asset attributable to the continuing Really B2B business, offset by a £0.2m gain on disposal of the corresponding lease liability (see note 19).

The loss on disposal of assets and liabilities in discontinued operations of £0.7m consists of the disposal of intangible assets totalling a net book value of £0.8m (see note 11), with proceeds on disposal of £0.1m creating a loss on disposal of £0.7m (see note 11). Additionally, there is a loss on disposal of computer equipment of £0.1m and the MarketMakers ROU asset of £0.5m (see note 12) which represented the proportion of the asset attributable to the discontinued telemarketing business. This is offset by a £0.6m gain on disposal of the corresponding lease liability (see note 19).

Loss on disposal of subsidiaries

In the prior year the loss on disposal of a subsidiary in continuing operations of £0.1m related to the disposal of Venture Business Research Limited ('VBR'). This is not presented in discontinued operations as it does not represent a separate major line of business and therefore has been included in continuing operations.

The prior year profit on disposal of subsidiaries in discontinued operations related to the subsidiaries sold in the divestment programme in 2019. See note 14 for further details.

Notes to the Financial Statements

CONTINUED

5 Directors and employees

	Note	2020 Continuing Group £m	2020 Discontinued Group £	2020 Total Group £m	Re-presented[2] 2019 Continuing Group £m	Re-presented[2] 2019 Discontinued Group £m	Re-presented[2] 2019 Total Group £m	2020 Total Company £m	2019 Total Company £m
Wages and salaries		15.0	3.1	18.1	18.6	7.9	26.5	1.0	1.4
Social security costs		1.6	0.3	1.9	2.4	0.7	3.1	0.1	0.1
Other pension costs		0.6	0.1	0.7	0.7	0.2	0.9	–	0.1
Adjusted staff costs		17.2	3.5	20.7	21.7	8.8	30.5	1.1	1.6
Government grants	3	(0.3)	(0.5)	(0.8)	–	–	–	–	–
Exceptional staff related restructuring costs[3]	4	0.2	0.8	1.0	2.4	0.1	2.5	–	0.8
Equity-settled share-based payments	24	0.5	–	0.5	0.1	–	0.1	–	0.1
		17.6	3.8	21.4	24.2	8.9	33.1	1.1	2.5

[2] See note 1(a) for description of the prior year re-presentation

[3] Excluding external employment advice costs

The average monthly number of employees employed during the year, including Directors, was:

	2020 Group Number	Re-presented[2] 2019 Group Number	2020 Company Number	2019 Company Number
Xeim	216	255	–	–
The Lawyer	56	52	–	–
Central	10	10	4	4
Discontinued	134	344	–	–
	416	661	4	4

[2] See note 1(a) for description of the prior year re-presentation

The Group's employees are employed and paid by Centaur Communications Limited, a Group company. As the employees provide services to other Group companies, their costs are recharged, and the relevant disclosures are made in the financial statements. The employees relating to discontinued operations were employed and paid by Market Makers Incorporated Limited.

Key management compensation

	2020 £m	2019 £m
Salaries and short-term employment benefits	1.2	2.9
Termination benefits	–	0.4
Post-employment benefits	0.1	0.1
	1.3	3.4

Key management is defined as the Executive Directors and Executive Committee members.

Aggregate Directors' remuneration

	2020 £m	2019 £m
Salaries, fees, bonuses and benefits in kind	0.8	1.8
Termination benefits	–	0.4
Post-employment benefits	–	0.1
	0.8	2.3

5 Directors and employees continued

Highest paid Director's remuneration

	2020 £m	2019 £m
Salaries, fees, bonuses and benefits in kind	0.4	0.8
Termination benefits	–	0.4
	0.4	1.2

One director and one former director exercised share options during the year (2019: no shares options were exercised). One Director was paid compensation in respect of loss of office during the prior year. Further details of Directors' remuneration are included in the Remuneration Committee Report between pages 51 and 65.

6 Finance costs

	Note	2020 £m	2019 £m
Commitment fees and amortisation of arrangement fee in respect of revolving credit facility		0.2	0.2
Lease interest	19	0.1	0.1
		0.3	0.3

Interest and fees on revolving credit facility

These finance costs are in relation to the £25m revolving credit facility, none of which was drawn down at 31 December 2020 (2019: £nil). As indicated by the consolidated cash flow statement, there were no drawdowns from this facility during the year and all drawdowns in the prior year were also repaid within the prior year. Finance costs in relation to this facility resulted in cash outflows by the Company and Group of £0.2m during the year (2019: £0.2m).

Lease interest

Lease liabilities are recognised for the Group's property lease arrangements. £0.1m of interest on these leases was incurred during the year (2019: £0.1m). Please refer to notes 1(j) and 19 for further details.

7 Taxation

	Note	2020 Continuing £m	2020 Discontinued £m	2020 Total £m	Re-presented[2] 2019 Continuing £m	Re-presented[2] 2019 Discontinued £m	2019 Total £m
Analysis of charge for the year							
Current tax	21						
UK Corporation Tax		0.1	(0.1)	–	–	0.6	0.6
Overseas tax		–	–	–	–	–	–
		0.1	(0.1)	–	–	0.6	0.6
Deferred tax	15						
Current period		(0.7)	(0.2)	(0.9)	(0.7)	–	(0.7)
Adjustments in respect of prior years		(0.3)	–	(0.3)	0.1	(0.1)	–
		(1.0)	(0.2)	(1.2)	(0.6)	(0.1)	(0.7)
Taxation (credit) / charge		(0.9)	(0.3)	(1.2)	(0.6)	0.5	(0.1)

[2] See note 1(a) for description of the prior year re-presentation

Notes to the Financial Statements

CONTINUED

7 Taxation continued

The tax charge for the year can be reconciled to the (loss) / profit in the consolidated statement of comprehensive income as follows:

	2020 Continuing £m	2020 Discontinued £m	2020 Total £m	Re-presented[2] 2019 Continuing £m	Re-presented[2] 2019 Discontinued £m	2019 Total £m
(Loss) / profit before tax	(2.6)	(13.0)	(15.6)	(8.1)	9.9	1.8
Tax at the UK rate of corporation tax of 19.0% (2019: 19.0%)	(0.5)	(2.5)	(3.0)	(1.5)	1.9	0.4
Effects of:						
Expenses not deductible for tax purposes	0.1	2.1	2.2	0.7	–	0.7
Profit on disposal	–	–	–	–	(1.5)	(1.5)
Effects of changes in tax rate on deferred tax balances	(0.2)	0.1	(0.1)	0.1	–	0.1
Deferred tax adjustment on business disposal	–	–	–	0.1	0.1	0.2
Adjustments in respect of prior years	(0.3)	–	(0.3)	–	–	–
Taxation (credit) / charge	(0.9)	(0.3)	(1.2)	(0.6)	0.5	(0.1)

[2] See note 1(a) for description of the prior year re-presentation

The Finance Act 2020 included legislation to keep the rate of corporation tax at 19% from 1 April 2020 and for financial year 2021. This change had been substantively enacted at the reporting date. The government announced on 3 March 2021 that the rate of corporation tax will increase from 19% to 25% from 1 April 2023 for companies with annual taxable profits of over £250,000. This has not yet been enacted and therefore, the Group's deferred tax balances continue to be recorded at 19%.

A reconciliation between the reported tax expense and the adjusted tax expense taking account of adjusting items as discussed in note 1(b) and 4 is shown below:

	2020 Continuing £m	2020 Discontinued £m	2020 Total £m	Re-presented[2] 2019 Continuing £m	Re-presented[2] 2019 Discontinued £m	2019 Total £m
Reported tax (credit) / charge	(0.9)	(0.3)	(1.2)	(0.6)	0.5	(0.1)
Effects of:						
Amortisation of acquired intangible assets	0.2	0.1	0.3	0.4	0.1	0.5
Exceptional costs	–	0.1	0.1	0.7	–	0.7
Share-based payments	0.1	–	0.1	–	–	–
Adjusted tax (credit) / charge	(0.6)	(0.1)	(0.7)	0.5	0.6	1.1

[2] See note 1(a) for description of the prior year re-presentation

8 Discontinued operations

A significant restructuring of the MarketMakers' business was executed during the year following an adverse impact on the performance of the telemarketing business following the onset of Covid. This led to the closure of the MarketMakers' telemarketing business ('MM') in August 2020. MarketMakers' Really B2B brand continues to operate and its performance is reported as part of continuing operations.

A loss on disposal of £0.7m arose on the disposal of assets relating to the MarketMakers' telemarketing business being the difference between the proceeds of disposal and the carrying amount of the net assets. Details of the disposal can be found in note 4.

In the prior year the Group disposed of the following subsidiaries:

- Centaur Financial Platforms Limited ('FIN') on 31 March 2019;
- Centaur Media Travel and Meetings Limited ('T&M') on 30 April 2019;
- Centaur Human Resources Limited ('HR') on 30 April 2019; and
- Centaur Engineering Limited ('ENG') on 31 May 2019.

8 Discontinued operations continued

The disposals were effected in line with the Group's strategy to simplify its structure, to improve operational execution and to focus attention on leading brands.

A profit of £7.8m arose on the disposal of these subsidiaries being the difference between the proceeds of disposals and the carrying amount of the subsidiaries' net assets and attributable goodwill, less transaction costs. Details of these disposals can be found in note 14.

In addition to the above-named subsidiaries, the Group disposed of its Venture Business Research Limited ('VBR') subsidiary in the prior year on 13 May 2019 to an employee of VBR. A loss on disposal of £0.1m arose on this disposal as detailed in note 14. The loss on disposal, as well as the operational results of VBR, were not included in discontinued operations as it did not represent a separate major line of business and these were therefore included in continuing operations.

The results of the discontinued operations, which were included in the consolidated statement of comprehensive income and consolidated cash flow statement, were as follows:

	MM	FIN	T&M	HR	ENG	Total	MM	FIN	T&M	HR	ENG	Total
	For the year ended 31 December 2020						For the year ended 31 December 2019					
Statement of comprehensive income	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue	3.6	–	–	–	–	3.6	9.3	2.1	3.8	0.7	0.4	16.3
Expenses	(15.9)	–	–	–	–	(15.9)	(9.9)	(1.1)	(2.2)	(0.6)	(0.4)	(14.2)
(Loss) / profit on disposal	(0.7)	–	–	–	–	(0.7)	–	(0.8)	3.0	3.8	1.8	7.8
(Loss) / profit before tax	(13.0)	–	–	–	–	(13.0)	(0.6)	0.2	4.6	3.9	1.8	9.9
Attributable tax credit / (expense)	0.3	–	–	–	–	0.3	0.1	(0.2)	(0.3)	(0.1)	–	(0.5)
Statutory (loss) / profit after tax	(12.7)	–	–	–	–	(12.7)	(0.5)	–	4.3	3.8	1.8	9.4
Add back adjusting items[1]:												
Loss / (profit) on disposal	0.7	–	–	–	–	0.7	–	0.8	(3.0)	(3.8)	(1.8)	(7.8)
Exceptional costs	0.9	–	–	–	–	0.9	–	–	–	0.1	–	0.1
Impairment of goodwill	11.0	–	–	–	–	11.0	–	–	–	–	–	–
Amortisation of acquired intangible assets	0.4	–	–	–	–	0.4	0.7	0.1	–	–	–	0.8
Tax relating to adjusting items[1]	(0.2)	–	–	–	–	(0.2)	(0.1)	–	–	–	–	(0.1)
Total adjusting items[1]	12.8	–	–	–	–	12.8	0.6	0.9	(3.0)	(3.7)	(1.8)	(7.0)
Adjusted profit[1] attributable to discontinued operations after tax	0.1	–	–	–	–	0.1	0.1	0.9	1.3	0.1	–	2.4

[1] Adjusted results exclude adjusting items, as detailed in note 1(b)

	MM	FIN	T&M	HR	ENG	Total	MM	FIN	T&M	HR	ENG	Total
	For the year ended 31 December 2020						For the year ended 31 December 2019					
Cash flows	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Operating cash flows	0.3	–	–	–	–	0.3	0.3	0.6	0.3	0.4	0.4	2.0
Investing cash flows	0.1	–	–	–	–	0.1	(0.1)	–	–	–	–	(0.1)
Financing cash flows	(0.4)	–	–	–	–	(0.4)	(0.2)	–	–	–	–	(0.2)
Total cash flows	–	–	–	–	–	–	–	0.6	0.3	0.4	0.4	1.7

The attributable tax expense stated in the table above is derived from the profit of discontinued operations. No income tax expense arose on the profit or loss on disposals.

Notes to the Financial Statements

CONTINUED

9 Earnings / (loss) per share

Basic earnings per share ('EPS') is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. 1,948,492 (2019: 1,573,134) shares held in the employee benefit trust and 4,550,179 (2019: 6,964,613) shares held in treasury (see note 23) have been excluded in arriving at the weighted average number of shares.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. This comprises share options and awards (including those granted under the share save plan) granted to Directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

Basic and diluted earnings per share have also been presented on an adjusted continuing and discontinued basis, as the Directors believe that these measures are more reflective of the underlying performance of the Group. These have been calculated as follows:

	Note	2020 Earnings / (loss) attributable to owners of the parent £m	2020 Weighted average number of shares millions	2020 Earnings / (loss) per share pence	Re-presented[2] 2019 Earnings / (loss) attributable to owners of the parent £m	Re-presented[2] 2019 Weighted average number of shares millions	Re-presented[2] 2019 Earnings / (loss) per share pence
Basic							
Continuing operations		(1.7)	144.3	(1.2)	(7.5)	142.8	(5.3)
Continuing and discontinued operations		(14.4)	144.3	(10.0)	1.9	142.8	1.3
Effect of dilutive securities							
Options: Continuing operations		–	–	–	–	–	–
Options: Continuing and discontinued operations		–	–	–	–	8.1	–
Diluted							
Continuing operations		(1.7)	144.3	(1.2)	(7.5)	142.8	(5.3)
Continuing and discontinued operations		(14.4)	144.3	(10.0)	1.9	150.9	1.3
Adjusted[1]							
Continuing operations							
Basic		(1.7)	144.3	(1.2)	(7.5)	142.8	(5.3)
Other exceptional costs	4	0.2	–	0.1	4.7	–	3.3
Amortisation of acquired intangibles	11	1.5	–	1.0	1.7	–	1.2
Share-based payments	24	0.5	–	0.4	0.1	–	0.1
Loss on disposal of subsidiary	14	–	–	–	0.1	–	0.1
Loss on disposal of assets and liabilities	11	0.1	–	0.1	–	–	–
Tax effect of above adjustments	7	(0.3)	–	(0.2)	(1.1)	–	(0.8)
Discontinued operations							
Basic		12.7	144.3	(8.8)	9.4	142.8	6.6
Profit on disposal of subsidiaries	14	–	–	–	(7.8)	–	(5.5)
Other exceptional costs	4	0.9	–	0.6	0.1	–	0.1
Amortisation of acquired intangibles	11	0.4	–	0.3	0.8	–	0.6
Impairment of goodwill	10	11.0	–	7.6	–	–	–
Loss on disposal of assets and liabilities	11	0.7	–	0.5	–	–	–
Tax effect of above adjustment	7	(0.2)	–	(0.1)	(0.1)	–	(0.1)
Adjusted[1] basic							
Continuing operations		0.3	144.3	0.2	(2.0)	142.8	(1.4)
Continuing and discontinued operations		0.4	144.3	0.3	0.4	142.8	0.3
Effect of dilutive securities							
Options: Continuing operations		–	7.3	–	–	–	–
Options: Continuing and discontinued operations		–	7.3	–	–	8.1	–
Adjusted[1] diluted							
Continuing operations		0.3	151.6	0.2	(2.0)	142.8	(1.4)
Continuing and discontinued operations		0.4	151.6	0.3	0.4	150.9	0.3

[1] Adjusted results exclude adjusting items, as detailed in note 1(b)

[2] See note 1(a) for description of the prior year re-presentation

9 Earnings / (loss) per share continued

	Adjusted Results[1] 2020 £m	Adjusted Items[1] 2020 £m	Statutory Results 2020 £m	Re-presented[2] Adjusted Results[1] 2019 £m	Re-presented[2] Adjusted Items[1] 2019 £m	Re-presented[2] Statutory Results 2019 £m
Earnings / (loss) per share attributable to owners of the parent						
Fully diluted from continuing operations	0.2p	(1.4p)	(1.2p)	(1.4p)	(3.9p)	(5.3p)
Fully diluted from discontinued operations	0.1p	(8.9p)	(8.8p)	1.7p	4.9p	6.6p
Fully diluted from continuing and discontinued	0.3p	(10.3p)	(10.0p)	0.3p	1.0p	1.3p

1 Adjusted results exclude adjusting items, as detailed in note 1(b)

2 See note 1(a) for description of the prior year re-presentation

In 2019 there was no difference in the weighted average number of shares used for the calculation of basic and diluted loss per share for continuing operations as the effect of all potentially dilutive shares outstanding was anti-dilutive.

10 Goodwill

	Note	Group £m
Cost		
At 1 January 2019		159.5
Disposal of subsidiaries	14	(48.4)
At 31 December 2019		111.1
Closure of business		(11.0)
Elimination of goodwill		(19.0)
At 31 December 2020		**81.1**
Accumulated impairment		
At 1 January 2019		96.9
Disposal of subsidiaries	14	(38.0)
At 31 December 2019		58.9
Impairment		11.0
Elimination of goodwill		(30.0)
At 31 December 2020		**39.9**
Net book value		
At 31 December 2020		**41.2**
At 31 December 2019		52.2

At the half year 30 June 2020, an impairment of £11.0m was recognised in the Xeim CGU, entirely related to the MarketMakers ('MM') business within that CGU. This followed the impact that Covid had on the operations of MM and was a full impairment of the goodwill balance relating to MM. Since this impairment was recognised, the MM telemarketing business has ceased operations, and the goodwill cost and accumulated impairment has been eliminated. The impairment is included within discontinued operations as disclosed in note 8.

In addition to the impairment and subsequent elimination of goodwill relating to MM, the Group also eliminated £19.0m of goodwill that has been fully impaired in previous financial years relating to legacy brands and businesses that the Group no longer operates.

At 31 December 2020 a full impairment assessment has been carried out. No impairment further to the £11.0m detailed above is required for the remaining carrying value of goodwill.

Disposals in the prior year relate to the disposal of Centaur Financial Platforms Limited (net book value £4.8m), Centaur Media Travel and Meetings Limited (net book value £5.6m), Centaur Human Resources Limited (net book value £nil) and Centaur Engineering Limited (net book value £nil). See note 14 for further details.

Notes to the Financial Statements

CONTINUED

10 Goodwill continued

Goodwill by segment

Each brand is deemed to be a Cash Generating Unit ('CGU'), being the lowest level at which cash flows are separately identifiable. Goodwill is attributed to individual CGUs and has historically been reviewed at the operating segment level for the purposes of the annual impairment review as this is the level at which management monitors goodwill.

	Note	Xeim £m	The Lawyer £m	Financial Services £m	Other Professional £m	Total £m
At 1 January 2019		36.2	16.0	4.8	5.6	62.6
Disposal of subsidiaries	14	–	–	(4.8)	(5.6)	(10.4)
At 31 December 2019		36.2	16.0	–	–	52.2
Impairment charge		(11.0)	–	–	–	(11.0)
At 31 December 2020		25.2	16.0	–	–	41.2

Impairment testing of goodwill and acquired intangible assets

The detailed impairment assessment described below has been performed after the £11.0m impairment already identified in the Xeim CGU relating to the MM business.

At 31 December 2020, goodwill and acquired intangible assets (see note 11) were tested for impairment in accordance with IAS 36. In assessing whether an impairment of goodwill and acquired intangible assets is required, the carrying value of the segment is compared with its recoverable amount. Recoverable amounts are measured based on value-in-use ('VIU').

The Group estimates the VIU of its CGUs using a discounted cash flow model, which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 12.8% (2019: 12.8%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all segments, which are all based predominantly in the UK and considered to have similar risks and rewards.

The key assumptions used in calculating VIU are revenue growth, margin, Adjusted EBITDA growth, discount rate and the terminal growth rate. The Group has used the MAP23 forecast for the first three years of the calculation and applied a terminal growth rate of 2.5% (2019: 2.5%). This timescale and the terminal growth rate are both considered appropriate given the nature of the Group's revenues. The key drivers and targets of MAP23 are discussed in the Strategic Report.

The key assumptions used in the calculations of VIU for each segment have been derived from a combination of experience and management's expectations of future growth rates in the business. The forecasts have been prepared following a review of the business where management has identified the key growth and focus areas which will deliver the targets, and conversely which areas of the business will be de-prioritised over that period. The forecasts reflect the transformed Group which is more focused and streamlined in order to deliver higher margins and profits.

The key assumptions and variables in this plan are sensitised in isolation and in combination. The main sensitivities applied to the key drivers are outlined below. As required by IAS 36, these sensitivities are applied in order to assess the effect of reasonably possible changes in the assumptions.

Sensitivity analysis has been performed on the VIU calculations, holding all other variables constant, to:

i. apply a 10% reduction to forecast Adjusted EBITDA in each year of the modelled cash flows. No impairment would occur in either of the segments.
ii. apply a 2% increase in discount rate from 12.8% to 14.8%. No impairment would occur in either of the segments.
iii. reduce the terminal value growth rate from 2.5% to 1.5%. No impairment would occur in either of the segments.
iv. in combination reduce the terminal value growth rate from 2.5% to 2.0% and apply a 30% reduction to forecast Adjusted EBITDA in the terminal year of the modelled cash flows. No impairment would occur in either of the segments.

After the £11.0m impairment recognised in the Xeim CGU relating to the MM business, the results of the impairment assessment and sensitivities applied indicate that no further impairment to the goodwill of either CGU is required.

11 Other intangible assets

	Note	Computer software £m	Brands and publishing rights £m	Customer relationships £m	Separately acquired websites and content £m	Total £m
Cost						
At 1 January 2019		18.6	5.6	15.4	4.7	44.3
Additions - separately acquired		0.8	–	–	–	0.8
Additions - internally generated		0.4	–	–	–	0.4
Disposal of subsidiaries (restated[2])	14	(0.6)	(3.5)	(2.4)	(1.5)	(8.0)
At 31 December 2019 (restated[2])		19.2	2.1	13.0	3.2	37.5
Additions - separately acquired		0.3	–	–	–	0.3
Additions - internally generated		0.3	–	–	–	0.3
Disposals		(0.9)	(0.5)	(1.7)	–	(3.1)
At 31 December 2020		18.9	1.6	11.3	3.2	35.0
Accumulated amortisation						
At 1 January 2019		12.4	2.3	9.4	4.7	28.8
Amortisation charge for the year		2.6	0.3	2.1	–	5.0
Impairment charge for the year		0.3	–	–	–	0.3
Disposals of subsidiaries (restated[2])	14	(0.5)	(1.7)	(1.9)	(1.5)	(5.6)
At 31 December 2019 (restated[2])		14.8	0.9	9.6	3.2	28.5
Amortisation charge for the year		1.9	0.2	1.7	–	3.8
Disposals		(0.5)	(0.2)	(1.5)	–	(2.2)
At 31 December 2020		16.2	0.9	9.8	3.2	30.1
Net book value at 31 December 2020		2.7	0.7	1.5	–	4.9
Net book value at 31 December 2019		4.4	1.2	3.4	–	9.0
Net book value at 1 January 2019		6.2	3.3	6.0	–	15.5

[2] See note 1(a) for description of prior year restatement

During the current year, the Group disposed of intangible assets totalling a net book value of £0.9m. £0.1m of this is recognised in the consolidated statement of comprehensive income in continuing operations. The £0.1m loss on disposal of intangible assets in continuing operations relates to software assets that were no longer in use by the business.

The remaining £0.8m of assets disposed have been recognised in discontinued operations, along with proceeds of disposal of £0.1m, resulting in a loss on disposal of £0.7m in discontinued operations. The £0.7m loss on disposal of intangible assets in discontinued operations resulted from the disposal relating to the MarketMakers ('MM') business. On 24 August 2020, the Group disposed of the MM branding and website with a net book value of £0.3m for proceeds of £0.1m, resulting in a loss of £0.2m. Customer relationships recognised on the acquisition of the MM business in 2017 with a net book value of £0.2m were disposed resulting in a loss of £0.2m. MM software assets were disposed at a net book value of £0.3m resulting in a loss of £0.3m. These disposals were effected in line with the closure of the MM telemarketing business following an adverse impact on trading performance caused by Covid.

Amortisation and impairment of intangible assets is included in net operating expenses in the consolidated statement of comprehensive income. The amortisation charge in continuing operations is £3.3m (2019 re-presented: £4.2m) and in discontinued operations is £0.5m (2019 re-presented: £0.8m). The impairment charge in the prior year is wholly in continuing operations and relates to obsolete software.

Amortisation on acquired intangible assets from business combinations is presented as an adjusting item in note 4 (see note 1(b) for further information). Total amortisation of £1.9m (2019: £2.5m) on such assets is all amortisation on assets in the asset groups 'Brands and publishing rights', 'Customer relationships' and 'Separately acquired websites and content' of £1.9m (2019: £2.4m) in addition to £nil (2019: £0.1m) of amortisation on acquired intangible assets in the asset group 'Computer software'. These total amounts relate to continuing operations £1.5m (2019: £1.7m) and discontinued operations £0.4m (2019: £0.8m) as shown in note 4.

Other intangible assets are tested annually for impairment in accordance with IAS 36 at a segment level by comparing the carrying value with its recoverable amount. Please see note 10 for further details.

The Company has no intangible assets (2019: £nil).

Notes to the Financial Statements

CONTINUED

12 Property, plant and equipment

	Leasehold improvements £m	Fixtures and fittings £m	Computer equipment £m	ROU assets – property £m	Total £m
Cost					
At 1 January 2019	2.2	0.7	1.7	–	4.6
Recognised on adoption of IFRS 16 (1 January 2019)	–	–	–	2.3	2.3
Additions – separately acquired	–	–	0.2	3.2	3.4
At 31 December 2019	2.2	0.7	1.9	5.5	10.3
Additions – separately acquired	–	–	0.3	1.7	2.0
Disposals	(2.2)	(0.6)	(1.1)	(2.1)	(6.0)
At 31 December 2020	–	0.1	1.1	5.1	6.3
Accumulated depreciation					
At 1 January 2019	1.6	0.5	1.2	–	3.3
Depreciation charge for the year	0.4	0.1	0.2	1.6	2.3
Impairment charge for the year	0.2	–	–	0.2	0.4
At 31 December 2019	2.2	0.6	1.4	1.8	6.0
Depreciation charge for the year	–	0.1	0.2	1.9	2.2
Disposals	(2.2)	(0.6)	(0.9)	(1.5)	(5.2)
At 31 December 2020	–	0.1	0.7	2.2	3.0
Net book value at 31 December 2020	–	–	0.4	2.9	3.3
Net book value at 31 December 2019	–	0.1	0.5	3.7	4.3
Net book value at 1 January 2019	0.6	0.2	0.5	–	1.3

During the current year the Group disposed of tangible assets totalling a net book value of £0.8m, resulting in a loss on disposal of tangible assets of £0.8m (£0.2m in continuing operations and £0.6m in discontinued operations, see note 4).

The £0.2m loss on disposal of tangible assets in continuing operations relates to computer equipment assets that were no longer in use by the business (£0.1m), and a proportion of the disposal of the MarketMakers' ROU asset that related to the continuing Really B2B business (£0.1m).

The £0.6m loss on disposal of tangible assets in discontinued operations relates to disposal of computer equipment (£0.1m) and a proportion of the disposal of the MarketMakers' ROU asset that related to the discontinued telemarketing business (£0.5m). These disposals were affected in line with the closure of the MM telemarketing business following an adverse impact on trading performance caused by Covid.

Depreciation and impairment of property, plant and equipment is included in net operating expenses in the consolidated statement of comprehensive income.

The depreciation charge in continuing operations is £2.0m (2019 re-presented: £2.0m) and in discontinued operations is £0.2m (2019 re-presented: £0.3m).

The impairment charge in the prior year related to leasehold improvements in the Wells Street office which was vacated by December 2019 and is presented in continuing operations.

The Company has no property, plant and equipment at 31 December 2020 (2019: £nil).

13 Investments

Company	Investments in subsidiary undertakings £m
Cost	
At 1 January 2019 and 31 December 2019	151.1
Additions	0.3
At 31 December 2020	**151.4**
Accumulated impairment	
At 1 January 2019	25.3
Impairment charge for the year	35.7
At 31 December 2019	61.0
Impairment charge for the year	25.4
At 31 December 2020	**86.4**
Net book value at 31 December 2020	**65.0**
Net book value at 31 December 2019	90.1
Net book value at 1 January 2019	125.8

Impairment testing of the investment

As outlined in the tables below, the carrying value of the investment represents the Company's direct ownership of Centaur Communications Limited ('CCL'). At 31 December 2020, the investment was tested for impairment in accordance with IAS 36. In assessing whether an impairment of the investment is required, the carrying value of the investment is compared with its recoverable amount. The recoverable amount is measured based on value-in-use ('VIU'). Although the Company only has direct ownership of CCL, CCL in turn directly or indirectly controls the rest of the Group's subsidiaries. Therefore, the VIU of the Company's investment in CCL is supported by the operations of the entire Group.

In the prior year, due to the disposals of the Group's subsidiaries noted below, the Group's cash flows and therefore its VIU was reduced. This was identified as an indication of impairment of the Company's investment carrying value and a full impairment assessment was carried out. An impairment of £35.7m was identified and recognised in the Company's statement of comprehensive income. After this impairment at 31 December 2019, the carrying value of the investment was fully supported by the future cash flows of the continuing operations of the Group.

In the current year, the ongoing global pandemic and its impact on the economy and directly on the Group was identified as an indication of impairment of the Company's investment carrying value, particularly following the closure of the MarketMakers ('MM') telemarketing business. Therefore, a full impairment assessment has been performed.

The Group estimates the VIU using a discounted cash flow model, which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 12.8% (2019: 12.8%). The discount rate used is consistent with the Group's weighted average cost of capital.

The key assumptions used in calculating VIU are revenue growth, margin, Adjusted EBITDA growth, discount rate and the terminal growth rate. The Group has used its MAP23 forecast for the first three years of the calculation and applied a terminal growth rate of 2.5% (2019: 2.5%). This timescale and the terminal growth rate are both considered appropriate given the nature of the Group's revenues. The key drivers and targets of MAP23 are discussed in the Strategic Report.

The assumptions used in the calculations of VIU have been derived based on a combination of experience and management's expectations of future growth rates in the business. The forecasts have been prepared following a review of the business where management has identified the key growth and focus areas which will deliver the targets, and conversely which areas of the business will be de-prioritised over that period. The forecasts reflect the transformed Group which is more focused and streamlined in order to deliver higher margins and profits.

Sensitivities are applied to each of the key assumptions and variables in isolation and in combination, in line with those sensitivities applied for goodwill impairment testing as outlined in note 10. As required by IAS 36, these sensitivities are applied in order to assess the effect of reasonably possible changes in the assumptions.

As a result of the impairment assessment and sensitivities applied, an impairment of £25.4m has been identified and recognised in the Company's statement of comprehensive income. This level of impairment specifically reflects the fourth sensitivity case outlined in note 10 where the terminal growth rate is reduced from 2.5% to 2.0% in addition to an EBITDA miss in the terminal year of 30%. The remaining balance is supported by the underlying trade of the continuing Group.

Additions of £0.3m in the year relate to capital contributions for share based payments recharged to the Company's subsidiaries.

Notes to the Financial Statements
CONTINUED

13 Investments continued

The Group disposed of its interest in the following subsidiaries during the prior year:

Name	Proportion of ordinary shares and voting rights held (%)	Principal activities	Country of incorporation	Date of disposal
Centaur Engineering Limited	100	Other publishing activities	United Kingdom	31 May 2019
Centaur Financial Platforms Limited	100	Research data and analysis	United Kingdom	31 March 2019
Centaur Human Resources Limited	100	Events and information services	United Kingdom	30 April 2019
Centaur Media Travel and Meetings Limited	100	Other publishing activities	United Kingdom	30 April 2019
Venture Business Research Limited	100	Research data and analysis	United Kingdom	13 May 2019

The net profit on disposals of these subsidiaries was £7.7m (£0.1m loss on the disposal of VBR and £7.8m profit on the disposal of the other four subsidiaries). See note 14 for further details.

In order to simplify the group structure, the process to close dormant companies was started for E-consultancy Asia Pacific Pte Limited, E-consultancy Australia Pty Limited, Pro-Talk Limited, Taxbriefs Limited and Your Business Magazine Limited. The process is ongoing at the date of signing the Annual Report.

Centaur Newco 2018 Limited was dissolved during the year. The company did not trade since incorporation.

At 31 December 2020, the Group has control over the following subsidiaries:

Name	Proportion of ordinary shares and voting rights held (%)	Principal activities	Country of incorporation
Centaur Communications Limited [1]	100	Holding company and agency services	United Kingdom
Centaur Media USA Inc.[2]	100	Digital information, training and events	United States
Chiron Communications Limited	100	Holding company	United Kingdom
E-consultancy Asia Pacific Pte Limited [3]	100	Dormant	Singapore
E-consultancy Australia Pty Limited [4]	100	Dormant	Australia
E-consultancy LLC [2]	100	Digital information, training and events	United States
E-consultancy.com Limited	100	Digital information, training and events	United Kingdom
Market Makers Incorporated Limited [5]	100	Telemarketing and Research	United Kingdom
Mayfield Publishing Limited	100	Dormant	United Kingdom
Pro-Talk Ltd	100	Dormant	United Kingdom
Taxbriefs Holdings Limited	100	Holding company	United Kingdom
Taxbriefs Limited	100	Dormant	United Kingdom
TheLawyer.com Limited	100	Publishing of consumer and business journals and periodicals	United Kingdom
Xeim Limited	100	Digital information services	United Kingdom
Your Business Magazine Limited	100	Dormant	United Kingdom

[1] Directly owned by Centaur Media Plc

[2] Registered address is 251 Little Falls Drive, Wilmington, DE19808, USA. Functional currency is USD.

[3] Registered address is 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. Functional currency is USD.

[4] Registered address is Level 17, 383 Kent Street, Sydney, NSW, 2000, Australia. Functional currency is AUD.

[5] Registered address changed from 1000 Lakeside North Harbour Western Road, Portsmouth, Hampshire, PO6 3EN to Floor M, 10 York Road, London, SE1 7ND on 13 January 2020.

The registered address of all subsidiary companies, except for those identified above, is Floor M, 10 York Road, London, SE1 7ND, United Kingdom. The functional currency of all subsidiaries is GBP except for those identified above. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 31 December 2020.

14 Disposal of subsidiaries

In the prior year the Group disposed of the following subsidiaries:

- Centaur Financial Platforms Limited ('FIN') on 31 March 2019;
- Centaur Media Travel and Meetings Limited ('T&M') on 30 April 2019;
- Centaur Human Resources Limited ('HR') on 30 April 2019; and
- Centaur Engineering Limited ('ENG') on 31 May 2019.

The disposals were effected in line with the Group's strategy to simplify its structure, to improve operational execution and to focus attention on leading brands. All disposals were executed by way of sale of 100% of the equity shares. The results of these subsidiaries have been included in discontinued operations as detailed in note 8.

The net assets of the subsidiaries at the date of disposal were as follows:

	FIN 31 March 2019 £m	T&M 30 April 2019 £m	HR 30 April 2019 £m	ENG 31 May 2019 £m	Total £m
Goodwill	4.8	5.6	–	–	10.4
Other intangible assets	1.1	–	1.1	–	2.2
Inventories	–	1.2	0.1	0.4	1.7
Trade and other receivables	1.0	1.1	0.4	0.2	2.7
Intercompany	1.3	2.2	0.7	–	4.2
Cash and cash equivalents	0.6	0.3	0.4	0.4	1.7
Trade and other payables	(0.8)	(0.6)	(0.4)	(0.1)	(1.9)
Deferred income	(1.3)	(2.9)	(1.0)	(1.2)	(6.4)
Current tax liability	(0.1)	(0.3)	–	–	(0.4)
Net assets / (liabilities) disposed attributable to Shareholders of the Company	**6.6**	**6.6**	**1.3**	**(0.3)**	**14.2**
Directly attributable costs of disposal	0.8	0.6	0.6	0.6	2.6
(Loss) / gain on disposal	(0.8)	3.0	3.8	1.8	7.8
Fair value of consideration	**6.6**	**10.2**	**5.7**	**2.1**	**24.6**
Satisfied by:					
Cash and cash equivalents	5.3	8.0	5.0	2.1	20.4
Settlement of intercompany balances	1.3	2.2	0.7	–	4.2
	6.6	**10.2**	**5.7**	**2.1**	**24.6**

The net cash flow arising on the disposals was as follows:

	FIN 31 March 2019 £m	T&M 30 April 2019 £m	HR 30 April 2019 £m	ENG 31 May 2019 £m	Total £m
Net cash flow arising on disposal:					
Consideration received in cash and cash equivalents	5.3	8.0	5.0	2.1	20.4
Less:					
Directly attributable costs of disposal	(0.6)	(0.6)	(0.6)	(0.5)	(2.3)
Cash and cash equivalents disposed	(0.6)	(0.3)	(0.4)	(0.4)	(1.7)
	4.1	**7.1**	**4.0**	**1.2**	**16.4**

During the current year, £0.1m of directly attributable costs related to the prior year disposals was paid in cash.

In addition to the above-named subsidiaries, the Group disposed of its Venture Business Research Limited ('VBR') subsidiary in the prior year on 13 May 2019 to an employee of VBR for £1 settled by cash and £31k settlement of intercompany balances. Net assets of £0.2m, consisting wholly of other intangible assets were disposed of, resulting in a loss of £0.1m.

The loss on disposal, as well as the operational results of VBR were not included in discontinued operations as it did not represent a separate major line of business and these were therefore included in continuing operations.

Notes to the Financial Statements

CONTINUED

15 Deferred tax

The movement on the deferred tax account for the Group is shown below:

	Accelerated capital allowances £m	Other temporary differences £m	Tax losses £m	Total £m
Net asset / (liability) at 1 January 2019	0.7	(0.5)	0.1	0.3
Recognised in the statement of comprehensive income	(0.1)	0.1	0.7	0.7
Net asset / (liability) at 31 December 2019	0.6	(0.4)	0.8	1.0
Adjustments in respect of prior periods	0.1	0.2	–	0.3
Recognised in the statement of comprehensive income	–	0.2	0.7	0.9
Net asset / (liability) at 31 December 2020	0.7	–	1.5	2.2

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	2020 Group £m	2019 Group £m
Deferred tax assets	2.4	1.4
Deferred tax liabilities	(0.2)	(0.4)
	2.2	1.0

At the year-end, the Group has unused tax losses of £8.1m (2019: £4.2m) available for offset against future profits. A deferred tax asset of £1.5m (2019: £0.8m) has been recognised in respect of £8.1m (2019: £4.2m) of such tax losses. The Group has concluded that the deferred tax asset will be recoverable using the estimated future taxable profit based on the approved MAP23 forecast (see Strategic Report). The Group is expected to generate taxable profits from 2021 onwards. The losses can be carried forward indefinitely and have no expiry date as long as the companies that have the losses continue to trade.

The Company had deferred tax assets on share options under long term incentive plans of £0.1m at 31 December 2020 (2019: £0.1m).

Deferred tax assets and liabilities are expected to be materially utilised after 12 months.

16 Trade and other receivables

	Note	2020 Group £m	Restated[2] 2019 Group £m	2020 Company £m	Restated[2] 2019 Company £m
Amounts falling due within one year					
Trade receivables		5.2	7.9	–	–
Less: expected credit loss	27	(1.0)	(1.1)	–	–
Trade receivables – net		4.2	6.8	–	–
Receivables from subsidiaries		–	–	34.9	–
Receivable from Employee Benefit Trust		–	–	0.6	0.6
Other receivables		0.2	1.8	0.1	–
Prepayments		1.2	1.3	0.1	0.1
Accrued income		0.2	0.4	–	–
		5.8	10.3	35.7	0.7

16 Trade and other receivables continued

	2020 Group £m	Restated[2] 2019 Group £m	2020 Company £m	Restated[2] 2019 Company £m
Amounts falling due after one year				
Other receivables	0.5	0.5	0.2	0.3
	0.5	0.5	0.2	0.3

[2] See note 1(a) for description of prior year restatement

Trade receivables and the expected credit loss include £0.1m and (£0.1m) respectively, in relation to discontinued operations.

Receivables from subsidiaries are unsecured, have no fixed due date and bear interest at an annual rate of 2.49% (2019: 2.53%).

Other receivables due within one year in the prior year included £1.5m in relation to the lease which was received in the current year on the exit of the Wells Street property.

Other receivables due after one year include £0.3m (2019: £0.3m) in relation to a deposit on the Waterloo property lease which is fully refundable at the end of the lease term.

17 Cash and cash equivalents

	2020 Group £m	2019 Group £m
Cash at bank and in hand	8.3	9.3

The Company had no cash and cash equivalents at 31 December 2020 (2019: £nil).

18 Trade and other payables

	2020 Group £m	2019 Group £m	2020 Company £m	2019 Company £m
Trade payables	0.2	1.1	–	–
Payables to subsidiaries	–	–	60.0	62.0
Social security and other taxes	1.3	1.0	–	–
Other payables	1.6	1.7	–	–
Accruals	5.7	8.7	0.4	1.4
	8.8	12.5	60.4	63.4

Payables to subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.49% (2019: 2.53%).

During the year, in response to Covid the Government allowed payments of VAT between 20 March 2020 and 30 June 2020 to be deferred until 31 March 2021. Under this scheme the Group deferred a total of £1.0m VAT payments, which is included in social security and other taxes above. This is planned to be re-paid in 2021.

Trade payables and other payables include £0.1m and £0.2m respectively, relating to discontinued operations.

The Directors consider that the carrying amount of the trade payables approximates their fair value.

Notes to the Financial Statements

CONTINUED

19 Lease liabilities

All lease liabilities currently held by the Group relate to property leases, for which corresponding right-of-use ('ROU') assets are held on the consolidated statement of financial position within property, plant and equipment and detailed in note 12.

	2020 Group £m	2019 Group £m
At 1 January	4.3	3.3
Additions	–	3.2
Remeasurement of lease liabilities	1.7	–
Interest expense	0.1	0.1
Cash outflow	(1.9)	(2.3)
Disposal on exit of lease	(0.8)	–
At 31 December	3.4	4.3
Current	2.0	2.1
Non-current	1.4	2.2
At 31 December	3.4	4.3

The lease liability for one of the Group's property leases was remeasured during the year upon reassessment of the lease term and renegotiation of payment terms due to Covid. The amount of the remeasurement of the lease liability has been recognised as an adjustment to the ROU asset.

During 2020, in response to Covid, the International Accounting Standards Board ('IASB') issued amendments to IFRS 16 'Leases' to allow lessees not to account for rent concessions as lease modifications requiring a remeasurement if they are a direct consequence of Covid and meet certain conditions. As described above, there was a renegotiation of payment terms on one of the Group's leases due to the pandemic. Due to the effect of the renegotiation impacting months outside of the specified conditions, the Group has not applied this practical expedient and has therefore remeasured the lease in respect of this.

The lease liability for the Group's property in Portsmouth, which was the office for the MarketMakers' business, has been fully released during the year upon the cessation of the MarketMakers' telemarketing business.

The gain on disposal of the lease liability has been recognised in the consolidated statement of comprehensive income, with £0.2m recognised in continuing operations for the proportion of the liability that relates to the continuing Really B2B business, and £0.6m recognised in discontinued operations relating to the proportion of the liability that relates to the discontinued telemarketing business. The corresponding ROU asset was also disposed of (see note 12), with the resulting net gain on disposal of £0.2m being materially offset by the exit penalty incurred.

20 Deferred income

	2020 Group £m	2019 Group £m
Deferred income	7.0	8.7

Deferred income arises on contracts with customers where revenue recognition criteria has not yet been met. See note 1(e) for further details.

21 Current tax assets

	2020 Group £m	2019 Group £m
Corporation tax receivables	0.2	0.1

The Company had no corporation tax receivables or payables at 31 December 2020 (2019: £nil).

22 Provisions

Group	Restructuring £m	Deferred consideration £m	Other £m	Total £m
At 1 January 2019	–	0.1	0.1	0.2
Utilised in the year	–	(0.1)	–	(0.1)
At 31 December 2019	–	–	0.1	0.1
Additions	1.0	–	–	1.0
Utilised in the year	(1.0)	–	(0.1)	(1.1)
At 31 December 2020	–	–	–	–

Restructuring

During the current year, a restructuring provision of £0.8m was recognised in relation to restructuring the MarketMakers business following a sharp fall in revenue as several major customers were hit by disruption in their own markets. A further £0.2m was provided in relation to restructuring other parts of the wider Centaur group due to the adverse impact of Covid. The provision was fully utilised in the second half of 2020. The associated expense has been recognised within exceptional costs and presented as adjusting items as disclosed within note 4. The staff related restructuring costs in continuing operations is £0.2m (2019: £nil) and in discontinued operations is £0.8m (2019: £nil).

Deferred consideration

Deferred consideration at 1 January 2019 of £0.1m related to the 2017 acquisition of MarketMakers. This was settled in cash during 2019.

Other

The other provision relates to the dilapidation provision which was acquired on the acquisition of MarketMakers in relation to the building leased by the company in Portsmouth. This provision was utilised during the current year as part of the exit of the Portsmouth lease upon cessation of MarketMakers' telemarketing business. The associated expense has been recognised within discontinued exceptional costs and presented as adjusting items as disclosed within note 4.

All amounts represent the Directors' best estimate of the balance to be paid at the reporting date.

23 Equity

Ordinary shares of 10p each	Nominal value £m	Number of shares
Authorised share capital – Group and Company		
At 1 January 2019, 31 December 2019 and 31 December 2020	20.0	200,000,000
Issued and fully paid share capital – Group and Company		
At 1 January 2019, 31 December 2019 and 31 December 2020	15.1	151,410,226

Deferred shares reserve

The deferred shares reserve represents 800,000 (2019: 800,000) deferred shares of 10p each, which carry restricted voting rights and have no right to receive a dividend payment in respect of any financial year.

Reserve for shares to be issued

The reserve for shares to be issued is in respect of equity-settled share-based compensation plans. The changes to the reserve for shares to be issued represent the total charges for the year relating to equity-settled share-based payment transactions with employees as accounted for under IFRS 2.

During the year a transfer of £1.0m was made from the reserve to retained earnings for lapsed share awards relating to the TSR performance condition of long-term incentive plans. £0.2m relates to the current year, £0.1m relates to 2019 and £0.7m relates to schemes which lapsed before 2019. A prior year restatement has not been made as the adjustment is not material to the users of the Annual Report and financial statements.

Notes to the Financial Statements
CONTINUED

23 Equity continued

Own shares reserve

The own shares reserve represents the value of shares held as treasury shares and in an employee benefit trust. At 31 December 2020, 4,550,179 (2019: 6,964,613) 10p ordinary shares are held in treasury and 1,948,492 (2019: 1,573,134) 10p ordinary shares are held in an employee benefit trust.

During 2020, 2,414,434 shares were transferred out of treasury to the employee benefit trust in order to meet future obligations arising from share-based rewards to employees. The shares were transferred from treasury at the historical weighted average cost of £2.2m (90.9p per share) and acquired by the employee benefit trust at the market value of £0.6m (25.0p per share). The difference between the historical weighted average cost and the market value of £1.6m has been eliminated on consolidation.

During the prior year, the employee benefit trust purchased 1,247,205 ordinary shares held in the employee benefit trust in order to meet future obligations arising from share-based rewards to employees. The shares were acquired at an average price of 51.7p per share, with prices ranging from 45.6p to 54.0p. The total cost of £0.6m was recognised in other reserves in the own shares reserve in equity.

The employee benefit trust also issued 2,038,736 (2019: 532,062) shares to meet obligations arising from share-based rewards to employees that had vested in both the current and prior year and were exercised in the year. The shares were issued at a historical weighted average cost of 61.3p (2019: 50.3p) per share. The total cost of £1.3m (2019: £0.3m) has been recognised as a reduction in the own shares reserve in other reserves in equity.

24 Share-based payments

The Group's share-based payment expense for the year by scheme:

	2020 £m	2019 £m
Equity-settled plans		
LTIP	0.5	0.1
Total equity-settled incentive plans and share based payment expense	0.5	0.1

The Group's share-based payment schemes upon vesting are equity-settled.

The share-based payment charge in 2020 of £0.5m (2019: £0.1m) increased year on year due to several reasons. Most of the increase is driven by 5.9 million less forfeitures and lapses in the current year resulting in £0.4m less credits to the consolidated statement of comprehensive income for the reversal of charges previously taken. There was also an overall increase in the charge of £0.1m following the true-up for a scheme that vested in the year and the true-up of a number of schemes for the amount of shares expected to vest compared to the prior year. This was offset by a lower charge of £0.1m relating to a reduction of 1.5 million new share options granted compared to prior year.

There is an immaterial amount of national insurance payable on equity-settled share-based schemes in the current and prior year which is included in liabilities as it is to be settled in cash.

Long-Term Incentive Plan

The Group operates a Long-Term Incentive Plan ('LTIP') for Executive Directors and selected senior management. This is an existing incentive policy and was approved by shareholders at the 2016 AGM. The share awards are valued at date of grant and the consolidated statement of comprehensive income is charged over the vesting period, considering the number of shares expected to vest. Full details on how the scheme operates are included in the Remuneration Report.

During the year, 1,057,321 (2019: 478,472) share options were exercised in relation to LTIPs that vested in 2019. Further details are shown below.

On 6 April 2020, 50% of the LTIP granted on 6 April 2018 to selected senior management vested upon meeting the performance conditions of two years continued employment. All 981,415 of these share options were exercised during the year. Further details are shown below.

On 30 June 2020, LTIPs were granted to Executive Directors and selected senior management. This grant was made at 75% of the normal award allowed for under the Remuneration Policy to reflect the current low level of the share price as a result of Covid. Further details are shown below.

In the prior year 53,590 shares granted on 25 July 2018 vested and were exercised upon completion of the performance conditions of continued employment. Details below.

24 Share-based payments continued

These awards were priced using the following models and inputs:

	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2006
Grant date	30.06.2020	03.10.2019	25.10.2019	25.07.2019	25.07.2018	06.04.2018	06.04.2018	24.04.2017	07.04.2017	04.10.2016	22.09.2016	30.03.2016
Share price at grant date	24.00	41.50	32.50	46.00	44.40	50.20	50.20	45.75	40.75	44.00	41.00	49.00
Fair value	14.77	22.77	16.25	23.00	22.20	28.65	25.10	24.46	21.08	18.04	16.81	20.92
Exercise date	29.06.2023	02.10.2022	05.04.2022	05.04.2022	24.07.2019	06.04.2021	06.04.2021	24.04.2020	07.04.2020	04.10.2019	22.09.2019	30.03.2019
Exercise price (p)	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil
Number of awards												
Balance at 1 January 2020	–	995,259	128,133	2,236,640	–	1,246,879	1,963,191	675,764	381,557	–	–	–
Granted during the year	2,074,782	–	–	–	–	–	–	–	–	–	–	–
Forfeited during the year	–	–	(80,083)	(80,128)	–	–	–	–	–	–	–	–
Exercised during the year	–	–	–	–	–	–	(981,415)	(675,764)	(381,557)	–	–	–
Lapsed during the year	–	–	–	–	–	–	–	–	–	–	–	–
Balance at 31 December 2020	2,074,782	995,259	48,050	2,156,512	–	1,246,879	981,776	–	–	–	–	–
Exercisable at 31 December 2020	–	–	–	–	–	–	–	–	–	–	–	–
Average share price at date of exercise (p)	–	–	–	–	–	–	24.19	25.50	26.65	–	–	–
Balance at 1 January 2019	–	–	–	–	53,590	1,246,879	2,104,890	1,351,528	2,958,786	573,395	366,667	1,983,489
Granted during the year	–	995,259	128,133	2,482,366	–	–	–	–	–	–	–	–
Forfeited during the year	–	–	–	(245,726)	–	–	(141,699)	–	(92,035)	–	–	–
Exercised during the year	–	–	–	–	(53,590)	–	–	–	(478,472)	–	–	–
Lapsed during the year	–	–	–	–	–	–	–	(675,764)	(2,006,722)	(573,395)	(366,667)	(1,983,489)
Balance at 31 December 2019	–	995,259	128,133	2,236,640	–	1,246,879	1,963,191	675,764	381,557	–	–	–
Exercisable at 31 December 2019	–	–	–	–	–	–	–	675,764	381,557	–	–	–
Average share price at date of exercise (p)	–	–	–	–	51.25	–	–	–	39.49	–	–	–

Grant date	30.06.2020	03.10.2019	25.10.2019	25.07.2019	25.07.2018	06.04.2018	06.04.2018	24.04.2017	07.04.2017	04.10.2016	22.09.2016	30.03.2016
Expected volatility (%)	47.0	40.0	–	–	–	43.5	43.5	45.4	45.4	43.8	43.8	31.8
Expected dividend yield (%)	–	–	–	–	–	–	6.47	–	–	–	–	–
Risk free interest rate (%)	(0.09)	0.34	–	–	–	0.86	0.86	0.12	0.12	0.06	0.06	0.48
Valuation of model used	Stochastic	Stochastic	*	*	*	Stochastic	Black–Scholes	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic

* Shares granted on 25 October 2019, 25 July 2019 and 25 July 2018 were nil-cost options with non-market-based performance conditions. These schemes were valued based on the estimated vesting value of the non-market-based conditions and expected forfeiture rates.

The shares outstanding at 31 December 2020 had a weighted average exercise price of £nil (2019: £nil) and a weighted remaining life of 1.3 years (2019: 1.6 years).

In the prior year, the shares granted under two schemes in 2017 were assessed for early vesting following the sale of four business units resulting in a significant change in the business. As a result, the shares related to the TSR performance conditions vested and shares related to all other performance conditions lapsed.

Notes to the Financial Statements
CONTINUED

24 Share-based payments continued

Senior Executive Long-Term Incentive Plan ('SELTIP')

The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the 'SELTIP') was introduced during 2011 and was approved by shareholders at the 2010 AGM. This is not an HMRC approved scheme and vests over a three-year period with service and performance conditions. Awards were granted under this scheme in 2011 for no consideration and no exercise price. This scheme has closed to new awards.

Awards of bonus units were made in 2013 as summarised in the following table:

Financial year	Threshold profit	PBTA achieved	Profit growth	SELTIP contribution	Total bonus pool	Bonus pool allocated*	Number of shares awarded in total**
2013	£8.0m	£8.6m	£0.6m	30%	£0.1m	£0.1m	118,851

* The Remuneration Committee did not allocate the entire bonus pool in 2013.

** Awards were only made to participants with continuing employment.

Senior Executive Long-Term Incentive Plan

These awards were priced using the following models and inputs:

	SELTIP 2013
Grant date	15.09.11
Share price at grant date	33.88
Fair value	23.76
Exercise date	17.09.14
Exercise price (p)	£nil
Number of awards	
Balance at 1 January 2020	6,862
Granted during the year	–
Forfeited during the year	–
Exercised during the year	–
Balance at 31 December 2020	**6,862**
Exercisable at 31 December 2020	**6,862**
Average share price at date of exercise (p)	**–**
Balance at 1 January 2019	6,862
Granted during the period	–
Forfeited during the period	–
Exercised during the period	–
Balance at 31 December 2019	6,862
Exercisable at 31 December 2019	6,862
Average share price at date of exercise (p)	–

The shares outstanding at 31 December 2020 had a weighted average exercise price of £nil (2019: £nil) and a weighted remaining life of 1.7 years (2019: 2.7 years).

Share Incentive Plan

The Group has a Share Incentive Plan, which is an HRMC approved Tax-Advantaged plan, which provides employees with the opportunity to purchase shares in the Company. This plan is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £1,800 per annum (or 10% of their salary if less) in ordinary shares in the Company, which are held in trust. The shares are purchased in the open market and are held in trust for each employee. The shares can be withdrawn with tax paid at any time, or tax-free after five years. The Group matches the contribution with a ratio of one share for every two purchased. Other than continuing employment, there are no other performance conditions attached to the plan.

The Executive Directors are eligible to participate in the Share Incentive Plan, as are all employees of the Group.

	2020 £	2019 £
Number of outstanding matching shares	58,117	48,071

25 Dividends

	2020 £m	2019 £m
Equity dividends		
Final dividend for 2018: 1.5p per 10p ordinary share	–	2.1
Interim dividend for 2019: ordinary dividend of 1.5p and special dividend of 2.0p per 10p ordinary share	–	5.0
	–	7.1

At the time of the 2019 results announcement on 18 March 2020, a final dividend relating to 2019 of 0.5p per share was proposed. Due to the uncertainty posed by the Covid outbreak, the Board decided that it was prudent not to pay this final dividend of £0.7m. The total dividend pertaining to 2019 was therefore the interim dividend of £5.0m, comprising a £2.1m ordinary dividend of 1.5p per share and a £2.9m special dividend of 2.0p per share. This dividend was paid on 18 October 2019.

A final dividend for the year ended 31 December 2020 of £0.7m (0.5p share) is proposed by the Directors and, subject to shareholder approval at the Annual General Meeting, will be paid to all shareholders on the Register of Members on 28 May 2021.

During the year, the Company received a dividend of £40.0m from Centaur Communications Limited (2019: £nil).

26 Notes to the cash flow statement

Reconciliation of (loss) / profit for the year to net cash inflow from operating activities:

	Note	2020 Group £m	2019 Group £m	2020 Company £m	2019 Company £m
(Loss) / profit for the year		(14.4)	1.9	(27.7)	(40.2)
Adjustments for:					
Tax	7	(1.2)	(0.1)	(0.4)	1.4
Net interest expense	6	0.3	0.3	0.8	1.7
Depreciation	12	2.2	2.3	–	–
Impairment of property, plant and equipment	12	–	0.4	–	–
Amortisation of intangible assets	11	3.8	5.0	–	–
Impairment of intangible assets	11	–	0.3	–	–
Impairment of goodwill	10	11.0	–	–	–
Loss on disposal of assets and liabilities	11	0.8	–	–	–
Loss on disposal of subsidiary	14	–	0.1	–	–
Gain on disposal of subsidiaries	14	–	(7.8)	–	–
Loss on impairment of investment	13	–	–	25.4	35.7
Share-based payment charge	24	0.5	0.1	–	0.1
Dividends received from subsidiaries	25	–	–	40.0	–
Unrealised foreign exchange differences		0.1	–	–	–
Changes in working capital (excluding effects of disposals of subsidiaries):					
Decrease / (increase) in trade and other receivables		4.4	0.5	(34.1)	1.8
(Decrease) / increase in trade and other payables		(3.7)	1.3	(3.8)	6.8
(Decrease) / increase in deferred income		(1.7)	0.3	–	–
Cash generated from operating activities		2.1	4.6	0.2	7.3

Notes to the Financial Statements
CONTINUED

26 Notes to the cash flow statement continued

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Note	Group and Company Borrowings £m	Group Lease liabilities £m
At 1 January 2019		–	3.3
Changes from financing cash flows:			
Interest paid	6	(0.2)	–
Repayment of obligations under finance leases	19	–	(2.3)
Proceeds from borrowings	27	2.8	–
Repayment of borrowings	27	(2.8)	–
		(0.2)	(2.3)
Other changes:			
Interest expense	6	0.2	0.1
Additions on commencement of new lease	19	–	3.2
		0.2	3.3
Balance at 31 December 2019		–	4.3
Changes from financing cash flows:			
Interest paid	6	(0.2)	–
Repayment of obligations under finance leases	19	–	(1.9)
		(0.2)	(1.9)
Other changes:			
Interest expense	6	0.2	0.1
Remeasurement of lease liabilities	19	–	1.7
Disposal on exit of lease	19	–	(0.8)
		0.2	1.0
Balance at 31 December 2020		–	3.4

27 Financial instruments and financial risk management

Financial risk management

The Board has overall responsibility for the determination of the Group's risk management policies. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of policies and processes put in place to manage risk. The Board sets policies that reduce risk as far as possible without unduly affecting the operating effectiveness of the Group.

The Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk, liquidity risk, capital risk and currency risk. Of these, credit risk and liquidity risk are considered the most significant. This note presents information about the Group's exposure to each of the above risks.

Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1(t). All financial assets and liabilities are measured at amortised cost.

	Note	2020 £m	2019 £m
Financial assets			
Cash and bank balances	17	8.3	9.3
Trade receivables – net	16	4.2	6.8
Other receivables	16	0.7	2.3
		13.2	18.4
Financial liabilities			
Lease liabilities	19	3.4	4.3
Trade payables	18	0.2	1.1
Accruals	18	5.7	8.7
Provisions	22	–	0.1
Other payables	18	1.6	1.7
		10.9	15.9

Credit risk

The Group's principal financial assets are trade and other receivables (note 16). Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk in relation to financial assets. Credit risk is managed on a Group basis. The Group does not consider that it is subject to any significant concentrations of credit risk.

Trade receivables

Trade receivables consist of a large number of customers, of varying sizes and spread across diverse industries and geographies. The Group does not have significant exposure to credit risk in relation to any single counterparty or group of counterparties having similar characteristics. The Group's exposure to credit risk is influenced predominantly by the circumstances of individual customers as opposed to industry or geographic trends.

The business assesses the credit quality of customers based on their financial position, past experience and other qualitative and quantitative factors. The Group's policy requires customers to pay in accordance with agreed payment terms, which are generally 30 days from the date of invoice. Under normal trading conditions, the Group is exposed to relatively low levels of risk, and potential losses are mitigated as a result of a diversified customer base and the requirement for events and certain premium content subscription invoices to be paid in advance of service delivery.

The credit control function within the Group's finance department monitors the outstanding debts of the Group, and trade receivable balances are analysed by the age and value of outstanding balances.

Any trade receivable balance which is objectively determined to be uncollectible is written off the ledger, with a charge taken through the consolidated statement of comprehensive income. The Group also records an allowance for the lifetime expected credit loss on its trade receivables balances under the simplified approach as mandated by IFRS 9. The impairment model for trade receivables, under IFSR 9, requires the recognition of impairment provisions based on expected lifetime credit losses, rather than only incurred ones. All balances past due are reviewed, with those greater than 90 days past due considered to carry a higher level of credit risk. Refer to note 1(t) for further details on the approach to allowance for expected credit losses on trade receivables.

The allowance for expected lifetime credit losses, and changes to it, are taken through administrative expenses in the consolidated statement of comprehensive income.

Notes to the Financial Statements

CONTINUED

27 Financial instruments and financial risk management continued

The ageing of trade receivables according to their original due date is detailed below:

	2020 Gross £m	2020 Provision £m	2019 Gross £m	2019 Provision £m
Not due	3.3	(0.1)	3.7	–
0-30 days past due	0.6	–	1.5	–
31-60 days past due	0.1	–	0.5	–
61-90 days past due	0.2	(0.1)	0.4	(0.1)
Over 90 days past due	1.0	(0.8)	1.8	(1.0)
	5.2	(1.0)	7.9	(1.1)

Trade receivables that are less than 3 months past due are generally not considered to be impaired, except where specific credit issues or delinquency in payments have been identified. In making the assessment that unprovided trade receivables are not impaired, the Directors have considered the quantum of gross trade receivables which relate to amounts not yet included in income, including pre-event invoices in deferred income and amounts relating to VAT. The credit quality of trade receivables not yet due nor impaired has been assessed as acceptable.

The movement in the allowance for expected credit losses on trade receivables is detailed below:

	2020 Continuing £m	2020 Discontinued £m	2020 Total £m	Re-presented[2] 2019 Continuing £m	Re-presented[2] 2019 Discontinued £m	2019 Total £m
Balance at 1 January	0.7	0.4	1.1	1.1	0.1	1.2
Utilised	(0.1)	–	(0.1)	(0.4)	–	(0.4)
Additional provision charged to the statement of comprehensive income	0.3	–	0.3	–	0.4	0.4
Release	–	(0.3)	(0.3)	–	–	–
Disposal of subsidiaries	–	–	–	–	(0.1)	(0.1)
Balance at 31 December	0.9	0.1	1.0	0.7	0.4	1.1

[2] See note 1(a) for description of the prior year re-presentation

The Group's policy requires customers to pay in accordance with agreed payment terms, which are generally 30 days from the date of invoice or, in the case of live events related revenue, no less than 30 days before the event. All credit and recovery risk associated with trade receivables has been provided for in the consolidated statement of financial position. The Group's policy for recognising an impairment loss is given in note 1(t)(ii). Impairment losses are taken through administrative expenses in the consolidated statement of comprehensive income.

The remaining provision of £0.1m for discontinued operations relates to MarketMakers trade debtors which have been fully provided for.

The Directors consider the carrying value of trade and other receivables approximates to their fair value.

Cash and cash equivalents

Banks and financial institutions are independently rated by credit rating agencies. We choose only to deal with those with a minimum 'A' rating. We determine the credit quality for cash and cash equivalents to be strong.

Other receivables

Other receivables are neither past due nor impaired. These are primarily made up of sundry receivables, including employee-related debtors and receivables in respect of distribution arrangements.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate reserves and working capital credit facilities, and by continuously monitoring forecast and actual cash flows. In March 2021, the Group terminated its existing £25m multi-currency revolving credit facility with NatWest and Lloyds which was due to run to November 2021. It has been replaced by a new multi-currency revolving credit facility with NatWest which runs to March 2024 with the option to extend for two periods of one year each. The new facility consists of a £10m committed facility and an additional £15m uncommitted accordion option, both of which can be used to cover the Group's working capital and general corporate needs. As at 31 December 2020, the Group had cash of £8.3m (2019: £9.3m) with a full undrawn loan facility of £25m (2019: full undrawn loan facility of £25m).

27 Financial instruments and financial risk management continued

The following tables detail the financial maturity for the Group's financial liabilities:

	Book value £m	Fair value £m	Less than 1 year £m	2–5 years £m
At 31 December 2020				
Interest bearing	3.4	3.4	2.0	1.4
Non-interest bearing	7.5	7.5	7.5	–
	10.9	10.9	9.5	1.4
At 31 December 2019				
Interest bearing	4.3	4.3	2.1	2.2
Non-interest bearing	11.6	11.6	11.5	0.1
	15.9	15.9	13.6	2.3

The Directors consider that book value is materially equal to fair value.

The book value of primary financial instruments approximates to fair value where the instrument is on a short maturity or where they bear interest at rates that approximate to the market.

The following table details the level of fair value hierarchy for the Group's financial assets and liabilities:

Financial Assets	Financial Liabilities
Level 1	**Level 3**
Cash and bank balances	Lease liabilities
Level 3	Trade payables
Trade receivables – net	Accruals
Other receivables	Provisions
	Other payables
	Borrowings*

* Borrowings are purely in relation to the Group's revolving credit facility which is discussed above. The amount drawn down from this facility at 31 December 2020 was £nil (2019: £nil).

All trade and other payables are due in one year or less, or on demand.

Interest rate risk

The Group has no significant interest-bearing assets but is exposed to interest rate risk when it borrows funds at floating interest rates through its revolving credit facility. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group evaluates its risk appetite towards interest rate risks regularly to manage interest rate risk in relation to its revolving credit facility if deemed necessary.

The Group did not enter any hedging transactions during the current or prior year and as at 31 December 2020, the only floating rate to which the Group was exposed was LIBOR. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk section of this note.

Interest rate sensitivity

The Group has exposure to interest rate risk, and sensitivity analysis has been performed based on exposure to variable interest rates at the reporting date.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit after tax would increase / (decrease) by £nil (2019: £nil) and equity by £nil (2019: £nil).

Notes to the Financial Statements

CONTINUED

27 Financial instruments and financial risk management continued

Capital risk

The Group manages its capital to ensure that all entities in the Group will be able to continue as a going concern while maximising return to stakeholders, as well as sustaining the future development of the business.

The capital structure of the Group consists of net cash, which includes cash and cash equivalents (note 17), and equity attributable to the owners of the parent, comprising issued share capital (note 23), other reserves and retained earnings. The Board also considers the levels of own shares held for employee share schemes, and the ability to issue new shares for acquisitions, in managing capital risk in the business.

For the whole of 2020, the Group benefited from its banking facilities, renewed in November 2019 which ran until November 2021 with an option to extend for a further 2 periods of 1 year each. Interest was calculated on LIBOR plus a margin dependent on the Group's net leverage position, which was re-measured quarterly in line with covenant testing. The Group's borrowings were subject to financial covenants tested quarterly. The principal financial covenants under the facility were the ratio of net debt to Adjusted EBITDA (see note 1(b) for explanation and reconciliation of Adjusted EBITDA) would not exceed 2.5:1 and the ratio of EBITDA to net finance charges would not be less than 4:1. In July 2020, the Group agreed with the banks to waive leverage and interest cover covenants up to, and including, the testing periods to 30 September 2021. This was subject to minimum liquidity tests which were reported monthly. At no point during the year did the Group breach its covenants or its minimum liquidity tests.

From March 2021, the Group benefits from a new banking facility with NatWest, which features a committed £10m facility and an additional uncommitted £15m accordion option, both of which can be used to cover the Group's working capital and general corporate needs. The facility is available until March 2024 with an option to extend for a further two periods of one year each. Interest is calculated on SONIA plus a margin dependent on the Group's net leverage position, which is re-measured quarterly in line with covenant testing. The Group's borrowings are subject to financial covenants tested quarterly. The principal financial covenants under the facility are that the ratio of net debt to Adjusted EBITDA (see note 1(b) for explanation and reconciliation of Adjusted EBITDA) shall not exceed 2.5:1 and the ratio of EBITDA to net finance charges shall not be less than 4:1.

Currency risk

Substantially all the Group's net assets are in the United Kingdom. Most of the revenue and profits are generated in the United Kingdom and consequently foreign exchange risk is limited. The Group continues to monitor its exposure to currency risk, particularly as the business expands into overseas territories such as North America, however the results of the Group are not currently considered to be sensitive to movements in currency rates.

28 Pension schemes

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these defined contribution schemes is shown in note 5. Included within other payables is an amount of £0.1m (2019: £0.1m) payable in respect of the money purchase pension schemes.

29 Capital commitments

At 31 December 2020, the Group had no capital commitments (2019: £nil).

30 Related party transactions

Group
Key management compensation is disclosed in note 5. There were no other material related party transactions for the Group in the current or prior year.

Company
The Company had the following transactions with subsidiaries during the year.

i) Interest
During the year, interest was recharged from subsidiary companies as follows:

	2020 £m	2019 £m
Net interest payable	0.6	1.7

There were no borrowings at the year end.

The balances outstanding with subsidiary companies are disclosed in notes 16 and 18.

ii) Dividends
During the year the Company received £40.0m (2019: £nil) of dividends from its subsidiary, Centaur Communications Limited.

There were no other material related party transactions for the Company in the current or prior year.

Audit exemption
For the year ended 31 December 2020 the Company has provided a guarantee pursuant to sections 479A-C of Companies Act 2006 over the liabilities of the following subsidiaries and, as such, they are exempt from the requirements of the Act relating to the audit of individual financial statements, or preparation of individual financial statements, as appropriate, for this financial year.

Name	Company number	Outstanding liabilities £m
Centaur Communications Limited	01595235	52.6
Chiron Communications Limited	01081808	60.9
E-consultancy.com Limited	04047149	8.2
Mayfield Publishing Limited	02034820	0.4
Market Makers Incorporated Limited	05063707	2.2
Pro-Talk Limited	03939119	–
Taxbriefs Holdings Limited	03572069	–
Taxbriefs Limited	01247331	–
TheLawyer.com Limited	11491880	2.4
Xeim Limited	05243851	27.6
Your Business Magazine Limited	01707331	–

See note 13 for changes to subsidiary holdings during the year.

31 Post balance date events
No material events have occurred after the reporting date.

Five Year Record (Unaudited)

	2016*	2017*	2018*	Re-presented[2] 2019	2020
Revenue (£m)	71.9	64.7	50.3	39.6	32.4
Operating loss (£m)	(3.9)	(0.3)	(20.3)	(7.8)	(2.3)
Adjusted operating profit / (loss) (£m)	9.1	4.1	(2.2)	(1.2)	–
Adjusted operating profit / (loss) margin	13%	6%	(4%)	(3%)	–
Loss before tax (£m)	(4.4)	(0.7)	(20.5)	(8.1)	(2.6)
Adjusted profit / (loss) before tax (£m)	8.6	3.7	(2.4)	(1.5)	(0.3)
Adjusted diluted EPS (pence)	4.5	1.8	(1.4)	0.3	0.3
Ordinary dividend per share (pence)	3.0	3.0	3.0	1.5	0.5
Net operating cash flow (£m)	14.0	12.1	5.6	4.7	2.1
Average permanent headcount (FTE)	554	589	758	317	282
Revenue per head (£'000)	131	110	66	125	115

Revenue by type	2016* £m	2017* £m	2018* £m	Re-presented[2] 2019 £m	2020 £m
Premium Content	20.9	19.1	14.4	14.4	13.2
Marketing Services	–	1.9	4.5	4.3	2.9
Training and Advisory	5.1	8.0	8.0	7.6	8.5
Events	25.7	18.7	6.5	6.4	2.5
Marketing Solutions	15.7	9.3	4.6	4.6	4.2
Recruitment Advertising	4.5	3.5	2.7	2.3	1.1
Telemarketing Services	–	4.2	9.6	–	–
	71.9	64.7	50.3	39.6	32.4

Other	2016* £m	2017* £m	2018* £m	Re-presented[2] 2019 £m	2020 £m
Goodwill and other intangible assets	88.8	94.2	78.1	61.2	46.1
Other assets and liabilities	(7.6)	(13.4)	(11.5)	(9.4)	(7.2)
Net assets before net debt	81.2	80.8	66.6	51.8	38.9
Net (debt) / cash	(14.1)	4.1	0.1	9.3	8.3
Total equity	67.1	84.9	66.7	61.1	47.2

[2] See note 1(a) for description of the prior year re-presentation

* 2016 – 2018 have not been re-presented with regards to discontinued operations relating to the cessation of the MarketMakers telemarketing business in 2020. 2019 has been re-presented for discontinued operations in line with the comparatives disclosed in these financial statements.

Marketing and Advertising Solutions revenue was split into Marketing Solutions and Recruitment Advertising in the current year.

Directors, Advisers and other Corporate Information

Company registration number
04948078

Incorporated / domiciled in
England and Wales

Registered office
Floor M
10 York Road
London
SE1 7ND
United Kingdom

Directors
Colin Jones (Chairman)
Swagatam Mukerji (Chief Executive Officer)
Simon Longfield (Chief Financial Officer)
William Eccleshare
Carol Hosey (appointed 5 February 2020)
Leslie-Ann Reed (appointed 1 March 2020)

Company Secretary
Helen Silver

Independent Auditor
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Registrars
Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR

External Lawyers
Dechert LLP
160 Queen Victoria Street
London
EC4V 4QQ

Brokers
Investec
N+1 Singer

Consultancy, design and production by:
jonesandpalmer.co.uk

CENTAUR

Floor M
10 York Road
London
SE1 7ND